MeNATIONAL UNDERWRITE

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Institute Chairman Stresses Need For **Keeping Adaptable**

Clarence Myers, At Annual Meeting, Warns Of Risk Of **Business Arteriosclerosis**

NEW YORK-The greatest dangers to the business of life insurance seem to arise from the very things that have made it great, said Chairman





Clarence J. Myers of Institute of Life Insurance at the institute's annual meeting here.

Mr. Myers, who is chairman and

OFFICERS ELECTED

Chairman-Walter O. Menge, president Lincoln National Life.

Directors—Garnett E. Cannon, president Standard of Oregon; Deane C. Davis, president National Life of Vermont; Robert L. Maclellan, president Provident Life & Accident; H. Bruce ner, president Mutual Benefit Life, and Charles J. Zimmerman, president Connecticut Mutual Life.

Board members elected to executive committee—M. R. Dodson, president Ohio National Life; Frederic W. Ecker, chairman Metropolitan Life; Clarence J. Myers, chairman and president New York Life and retiring chairman of the institute; James F. Oates, president Equitable Society; D. N. Warters, president Bankers Life of Iowa, and Dan C. Williams, president Southland Life. Mr. Menge, as institute chairman, is chairman ex-officio of the executive committee.

Institute staff officer elections are covered in a separate item in this issue.

president of New York Life, said the fact that life insurance has such a venerable history, that it has grown into so tremendous an institution, that it has in the past overcome so many obstacles and adapted to so many changing conditions "are the very facts that must in the first instance give us

"For venerable institutions, no less than venerable people, are particu-larly prone to hardening of the arhe said. "And yet the greatest challenge of life insurance today, as I see it, is to be young—to be alert, flexible, imaginative, and inspired by the courage of its convictions. For the world around us is changing profoundly and the rate of change is
(CONTINUED ON PAGE 20)

THORE TELLS LIA ANNUAL MEETING:

Life Industry Will Need To Give More Heed To Nation's Objectives

NEW YORK-Preoccupation of the protection of policyholders' interests, new administration and Congress with but the business will be increasingly



sion, the nation's gold loss and foreign affairs will retard rapid enact-ment of "new frontier" legislation, but nevertheless it is clear that the nation is ap-proaching an era dominated by new problems that will require the insurance business to

give increasing attention to complex national objectives, Eugene M. Thore, vice-president and general counsel of Life Insurance of America, told the association's annual meeting here.

Mr. Thore pointed out that in the future as in the past, the first concern of the insurance business will be the

N. Y. Bans Special 'New Money' Status In Group Annuities

called upon to balance this objective

with even broader interest as to the

and international significance with which this country must deal reach

deeply into the social and economic life

of the American people," he said. "Not

one of them can be effectively con-

sidered in isolation. Many of them have (CONTINUED ON PAGE 17)

"The numerous issues of national

welfare of the nation as a whole.

NEW YORK-Superintendent Thacher has notified all insurers authorized to do business in New York that they may not use the "new money" plan of reflecting in group annuity dividends or rate credits the interest levels at the time an insured puts in its money rather than the general level of earnings on the company's entire portfolio.

A number of companies have been using this plan as an effective way president Home Life of New York.
of improving their competitive posiDirectors—Raymond H. Belknap, tion not only against other insurers but particularly against trusteed plans. Other insurers have been considering following suit.

Quote Thacher's Letter

Mr. Thacher's letter says:

"Several months ago it came to the attention of this department that some life insurers had adopted, and others were contemplating use of, the so-called 'new money' (or 'select and ultimate') method of distributing in-vestment income. To ascertain the underlying facts, the department called a conference with insurers authorized to write group annuities in this state. In light of the discussion at the time and the statements and material subsequently supporting

(CONTINUED ON PAGE 21)

'60 Ordinary, Total Sales \$52 And \$73 Billion; New Highs

LIA Members Get Year-End **Estimates**; Worthington **President, Succeeds Davis**

By ROBERT B. MITCHELL

NEW YORK-Life insurance in all its aspects will reach new highs for



Deane C. Davis

W. P. Worthington

the year 1960. Deane C. Davis, president of National Life of Vermont, reported in his presidential address at the annual meeting here of Life In-

OFFICERS ELECTED

President-William P. Worthington,

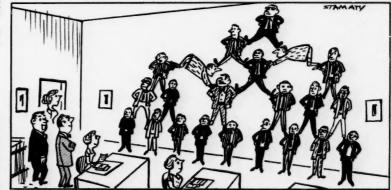
resident United States Life; Deane C. Davis, president National Life of Vermont and retiring president of LIA; M. R. Dodson, president Ohio National Life; John S. Pillsbury, president Northwestern National Life; Charles J. Zimmerman, president Connecticut Mutual Life.

surance Assn. of America.

Life insurance sold to U.S. residents by legal reserve life companies this year is estimated at \$73 billion. About \$52 billion is ordinary, \$14 billion group and \$7 billion industrial.

Total insurance in force as of Dec. 31, 1960, is estimated at \$585 billion, up nearly 8%. Of this total, ordinary amounts to \$340 billion, up almost 8%, group \$175 billion, up 91/2%, and in-

(CONTINUED ON PAGE 21)



TRYING TO BRING THE ORGANIZATION CHART TO LIFE."

ALC-LIA-LIC Win **Revenue OK On Five Changes In Tax Law**

WASHINGTON-Final regulations dealing with phase I of the life insurance company income tax act of 1959 have been issued by the Internal Revenue Service, with five major items being ruled on favorably to the views expressed during recent IRS hearings by American Life Convention, Life Insurance Assn. and Life Insurers Conference. These regulations are the first final ones promulgated under the new act by the commissioner of internal revenue.

The definition of "reserves required by law" was changed to eliminate the reference to reserves "calculated according to the legal minimum standards of valuation." Instead, such reserves are defined as those reserves required by state statute or regulation, and accepted by state regulatory authorities as held for the fulfillment of the claims of policyholders or beneficiaries.

This and the four other items were discussed more fully in the Oct. 22 issue of THE NATIONAL UNDERWRITER.

Occidental Of Cal. To Get Community Chest Award

For the seventh consecutive year, employes of Occidental of California will receive the Community Chest's highest award, a bronze plaque, for outstanding community service. The outstanding community service. The company contributed \$25,214 from nearly all of its 1,858 home office employes, totaling 115% of Occidental's 1960 quota. Clare Schenk, manager of the premium collection and recording department, was campaign chairman.

MANY CHANGES ANNOUNCED WHARTON SCHOOL STUDY SHOWS:

Brundage To Become **Bankers National's** Chief Executive

MONTCLAIR, N. J.-President John D. Brundage of Bankers National





Life, who has been chief operating officer, will take on the additional duties of chief executive officer on Jan. 1, when a number of other changes in executive assignments will also take place.

At that time, Chairman Ralph R. Lounsbury, who has been chief ex-ecutive officer, will retire from active direction of the company though continuing as chairman. It is his inten-tion to spend some time in the office each day he is in the area, devoting his attention to community relations, trade organizations and similar activities.

Nearly \$750 Million In Force

In the last 33 years Mr. Lounsbury has helped Bankers National grow to nearly \$750 million in force, assets exceeding \$83 million. He supervised the erection of the present home office building here in 1954. Within the life industry, he has had many responsibilities, notably with American Life Convention, which he served as an active committee member and, during 1953-54 as president.

For a short time Mr. Lounsbury was actuary of the Nebraska department, after graduating from University of Michigan, and during World War 1 he served in the actuarial section of the War Risk Bureau in Washington. In 1923 he organized Bankers National Life of Colorado and in 1925 Bankers National Life of Florida, serving as president of both until they were consolidated with Bankers National Life of New Jersey in 1929. The latter was licensed in 1927 and Mr. Lounsbury has been its chief executive since its inception. He is a member of the board of managers of the Montclair Savings bank and a trustee of the Montclair **YMCA**

Mr. Brundage joined Bankers National as an agency assistant in 1945. In 1946 he went with Mutual Benefit Life, serving as sales promotion manager, regional superintendent of agencies, director of agencies and head of one of the New York City agencies. He returned to Bankers National in 1953 as assistant to the president, becoming administrative vice-president in 1955 and executive vice-president in 1957. He is a member of the board of the Montclair National Bank & Trust Co. and a director of Capital Life Shares. a mutual fund. He is also a vice-president of American Heart Assn.

Other changes in executive assignments, all effective Jan. 1, are as

Charles A. Bell, secretary, becomes vice-president and secretary. He was reach with Mutual of New York 11 years force.

Laws Needed To Protect **Employe Pension Rights**

pants in most private pension plans are inadequately protected under existing statutory and legal controls, according to the report on a two-year study sponsored by the University of Pennsylvania's Wharton School of Finance and Commerce.

The report, written by Edwin W. Patterson, Cardozo professor emeritus of jurisprudence, Columbia University Law School, suggests a "minimum program" of legislation designed to strengthen the private pension mechanism.

Prof. Patterson headed the study, initiated as part of a major research project in which task forces assembled by the Pension Research Council of the Wharton School were assigned to investigate and appraise various aspects of private pension plans.

Three Other Studies Going

Three other studies, now in progress and scheduled to be completed in 1961, are concerned with standards of actuarial soundness, the legal status of employe benefit rights under private pension plans, and the functions and operation of funding agencies. Dan M. McGill, who is Frederick H. Ecker professor of life insurance at the Wharton School, is project director. The entire project is supported by a

before joining Bankers National's actuarial department in 1946.

Windolf, treasurer-comp-Albert C. troller, will be vice-president and treasurer. Before joining Bankers National in 1935, he was construction accountant for New York Water Service Corp.

R. Donald Quackenbush, director of agencies, becomes vice-president-group sales. He was active in the operation of Quackenbush & Sons of Paterson, N.J., before joining Bankers National in 1954.

Winfield C. Burley was named assistant actuary-administration, in the actuarial department. His life insurance experience, before joining Bankers National in 1960 as actuarial assistant, was with Metropolitan Life and Mutual of New York.

Pension Post To Rogers

Walter J. Rogers becomes director of pension services in the agency department. He joined Bankers National in 1946 after service with Connecticut General Life and Massachusetts Mu-

Charles A. Curtis will become manager of the investment department. He joined the company in 1959 as an investment analyst and has been manager of securities since April. He was formerly with Mutual Benefit Life.

Robert S. Marcotte becomes comp troller. He joined the company in 1958 as a methods analyst, and has been assistant comptroller since January.

F. Sanford Astarita, chairman of Montclair National Bank & Trust Co., was elected a director of Bankers National Life. He has served on the latter's investment committee since

Attains \$200 Million In Force

Government Personnel Mutual has reached \$200 million of insurance in fund of \$60,000 contributed by insurance companies, banks, and other interested institutions.

As chairman of the group that studied the legal protection of private pension expectations, Prof. Patterson was charged with the responsibility of performing the basic research and preparing a statement of his findings for publication.

Those who are not convinced by the arguments against any change in the present legal regulation of private pension plans may seek to find a minimum program of legislation which will eliminate the more patent inadequacies of present legal controls without imposing intolerable burdens on either pension-plan administrators or governmental officials and employes," Prof. Patterson stated in the report.

Among the recommendations contained in the suggested program are the following:

"The federal welfare and pension plans disclosure act of 1958 should be so amended as to require full reporting and disclosure to all covered employes and pensioners of the degree of sufficiency of the funding to produce the benefits projected in a levelof-benefit formula, taking account of the recent level of current-service contributions and the unfunded past-(CONTINUED ON PAGE 16)

To Buy Southern L.&S.

Stockholders of Tennessee Valley Life have been informed of plans to consolidate with Southern Life & Surety of Jackson, Miss. The program calls for Tennessee Valley Life, as parent corporation, to own at least 75% of the stock of Southern Life & Surety.

Southern L.&S. has 255,921 shares of \$1 par stock. It has been deterthat one share of Southern L&S. is equal to 0.53 of a share of Tennessee Valley. Stock of Tennessee Valley Life will be issued in exchange for Southern L.&S. in this ratio, all life and A&S business of Southern L.&S. will be reinsured in Tennessee Valley and Southern L.&S. will confine its business to "guaranty insur-

Stockholders of Tennessee Valley Life will vote on the proposal Dec.

Grubbs Out Officially

Director William E. Grubbs of Nebraska has announced his resignation, effective at the expiration of his term soon after the first of the year. A successor has not yet been appointed.

It is understood that Mr. Grubbs had first refusal of the position. The new governor is of the same political party.

Was Effective Director

Mr. Grubbs has been an effective director and one of the willing workers in National Assn. of Insurance Commissioners. He has called for a general meeting of industry leaders during December to go over plans for insurance legislation in the 1961 session.

Mr. Grubbs has announced he will enter private business, but he has not made known the nature of his affilia-

Institute Of Life **Insurance Raises** 3 To Staff Officers

NEW YORK-Robert G. Taylor, di. rector of the Institute of Life Insur-





Robert G. Taylor

R. Wilfred Kelsey

ance Washington office, was elected vice-president in charge of that office at the annual meeting here.

Others given staff officer status are R. Wilfred Kelsey, director of education in family finance, who becomes secretary, and Robert M. Mory, director of the production division, who becomes assistant vice-president.

Arthur C. Daniels was reelected vice-president but relinquishes the secretaryship for new duties to be an-

Richard F. Griffen retires as vicepresident but has been named editorial consultant.

All other staff officers were reelec-

Tennessee Valley Life Plans Chicago Life Agents **Hold Giant Breakfast**

More than 500 persons jammed the ballroom of the Midland Hotel in Chi-



H. P. Gravengaard

cago at the annual breakfast meeting of Chicago Assn. of Life Underwriters this week. These meetings are always well attended and more often than not there has been a capacity crowd, but in this case reservations were sold out two days ahead of the event and

those who came to hear the speaker, breakfast or not, attended on an SRO

H. P. Gravengaard, vice-president the National Underwriter Co., was the speaker and presented "Ideas That Sell Business Life Insurance." He said this type of coverage "will be a bonanza in the 60s," as life agents themselves are beginning to recognize more and more that it is an "easy approach." Agents are finding that while it may be difficult to "get to" a prospect on personal insurance, he will listen to anything that pertains to protection of his business, since he usually has tied up in it all of his assets.

As to market potentialities, Mr.

Gravengaard pointed out that 87% of all business organizations in the U.S. have less than eight employes. The employer is not difficult to approach and the sales situation is not unduly complicated.

Mr. Gravengaard detailed a number of ideas used in partnership cases by successful salesmen of business life insurance and touched on keyman

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The Equitable Life of Abe Harris in New York City





He works as hard on juvenile policies as on the big ones. During the 1959 April campaign he closed 79 Ordinary cases for a total of \$1,056,000!



Is a civic leader in suburban Hewlett, L. I. Auditorium of Temple Beth El is dedicated to him. In the depression year of 1932, he headed fund drive which paid off entire building costs.



Abe Harris, shown on a recent Mediterranean cruise with his wife, Bea, is one of Equitable's all-time greats. Has written over a million dollars annually for 34 years. Last year it was \$4,000,000! Abe is a member of the J. V. Davis Agency in New York City.

Equitable's President, James F. Oates, Jr., thanks Abe for his many services. Abe gives talks all over the country on Pension, Corporate, and Estate planning. He has been called "a champion of champions." In 1956 he was named National Honor Agent, a lifetime award. children.
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Relaxes with daughter, son-in-law, and grandchildren. Abe, now 68, devotes full time to his main hobby-selling. Catches the 6:42 to New York City every morning, and puts in a twelve-hour day.

A Man's Prestige somehow goes hand in hand with the prestige of the company he represents. This is why Abe is proud to be a life underwriter for Equitable. It is a full life. And a rewarding one. Living Insurance is more than a need...it's a career!

The Equitable Life Assurance Society of the United States

Home Office: 393 Seventh Avenue, New York 1, N.Y. @ 1980

Tune in The Equitable's Our American Heritage, Friday, January 13, NBC-TV.

A new question of law was raised in California in the case of Tyre vs Aetna Life last July that is of importance to the insurance industry, said Joseph S. Heston, chief assistant general counsel of California-Western States Life, at the winter meeting of Assn. of Life Insurance Counsel at New York.

The question was whether or not the wife, by electing to accept her husband's gift of his one-half interest in the policy according to its terms thereby lost the power to set the policy aside as to her community property interest. The court held that since the insured's settlement selection was testamentary in character, it constituted a gift by him to his wife of his one-half interest in the community property and that she must elect between her community rights and her husband's gift. The holding was that if she accepted the gift, she must relinquish all inconsistent claims.

The wife elected to stand on her community rights. The court held that by making an election, she had disqualified herself as the beneficiary of her husband's gift. The court then found that as a result of this disqualification, the husband's share of

330 S. Wells

Company

Address_

the policy was payable to the alternate beneficiaries and not the insured's estate even though the alternate beneficiaries' interest was conditioned upon surviving the primary beneficiary.

Another important element of the case, said Mr. Heston, which the court disposed of summarily without much comment, had to do with the period for which the alternate beneficiaries should receive the monthly payments. The insurer contended that it should be only for the 10-year period that measures the company's minimum liability under the policy. The court held, however, that the wife's disqualification as primary beneficiary did not remove her life as the measure of the annuity. Otherwise, according to the court, the husband's donees may be deprived of the benefit of his invest-

"What effect the Tyre case may have upon future claims of this nature is, of course, anybody's guess," said Mr. Heston. "But a few things do seem certain: The insurance company in such cases, at least in California, is deprived of the argument that it must maintain the integrity of the contract it has made with the insured and cannot allow the beneficiaries to disallow it. Because insured, like testators, do not review their committments from time to time and bring them into harmony with changing circumstances, many widows whose installments are inadequate for any real economic purpose will be ecouraged to reject them

Chicago 6, III.



Architect's sketch of new home office building of All American L.&C., for which ground will be broken shortly after the first of the year. The structure will be located in Park Ridge, Ill., approximately one mile from the present home office in a new development known as Executive Plaza. The building will be of early American design of red brick with traditional white trim to resemble the company's present home office building erected in 1956, which it has outgrown. The three-floor structure will be fully air conditioned and gas heated and is so designed that it may be enlarged from time to time to total approximately 130,000 square feet. The architects are Graham, Anderson, Probst & White.

and seek a lump sum which they feel will be of greater use to them. Also, it can be expected that widows whose life expectancies are less than average will probably prefer the lump sum to the drawn out monthly payments.

"Therefore, perhaps insurance companies can expect some adverse selection in such situations. Very likely many companies will try to obviate all these difficulites by insisting upon the consent of the wife to defer settlement selections. As a practical matter, complete insistence may not be possible if insurance is to be put in force or preserved because many applicants and insured will no doubt refuse to seek a spoulse's consent

seek a spouse's consent.

In the Tyre case, the widow promptly disallowed the husband's selection and demanded the face amount of the policy in cash. It might be assumed that if the wife had accepted one or more of the installments payments and then tried later to disallow them she might be held to have made her election by acceptance of the payments and be precluded from changing her mind. Some theory of waiver might successfully be advanced in such cases.

"Companies might also consider submitting a supplemental agreement to the widow which would recite the essential elements of the insured's optional selection and request her acceptance of same by formal execution of the document. If she does so, this might be construed as being an exercise of her election and place her in a position from which she could not thereafter retreat."

thereafter retreat." N. Y. Department Imposes

Fine Against Aetna Life

Superintendent Thacher of New York has announced imposition of a \$10,000 fine on Aetna Life because of its issuance of certain A&S policies on forms and rates which had not been filed with and approved by the department.

In the course of the department's hearing of the matter, it was settled by stimulation

Nw. Natl. Life Liberalizes Pension Plan Underwriting

Northwestern National Life has liberalized underwriting rules in its pension trust department.

The liberalization involves issuing policies meeting the following requirements: (1) At least 75% of all eligible employes must participate in the plan; (2) a minimum of 10 lives must be covered, and (3) at least \$100,000 of coverage must be provided.

Also, small businesses meeting the three requirements previously outlined may acquire policies for their employes to a maximum of \$25,000 each.

Hospitals, Not Blue Cross, Blue Shield, Spurn Pact With Insurance Companies

A representative of American Hospital Assn., not spokesmen for the National Blue Cross-Blue Shield organizations as was quoted in the Dec. 10 issue of The NATIONAL UNDERWRITER was the person who told members of American Medical Assn.'s house of delegates that they, AHA, would not sit down at the same table with private insurance companies.

The AHA representative's statement which also accused insurance companies of taking "only the cream" of the health insurance market, was instrumental in watering down an AMA resolution which called for AMA to bring together all interested partiesprivate companies, the Blues, hospitals, labor, business and consumers—for a conference that would deal with the problem of fighting compulsory government health insurance. In its place, AMA adopted a resolution "to assume immediately the leadership" in con-solidating its efforts with those of the National Blues and AHA "into marimum development of the voluntary non-profit prepayment concept to prohealth care for the American people."

The adopted resolution also contained a clause to the effect that similar leadership "be undertaken to coordinate the efforts of private insurance carriers through conferences with their national organizations."

United American Life of Denver has reached the \$150 million mark of insurance in force, cutting in half its 10-year projection which called for that total to be achieved at the end of

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LIFE EXECUTIVE VICE-PRESIDENT

\$25,000

We would classify this executive opening as a "plum"—High caliber management of Company; Stability; established nearly fifty years ago plus very profitable experience.

This Company, a Multiple Line Stock operation, is establishing a Life Company running matenet a Life Department in present operations. Individual employed will be executive Vice-President of the Life Company and Vice-President of the Fire and Casualty Company.

SPECIFICATIONS: Minimum 12 years current Home Office administrative experience. Currently functioning in Home Office executive capacity with responsibilities extending into a number of administrative areas with tangible perspective in production. Company does not require individual whose background has been predominantly in production, proven administrative requirement will be governing factor.

Company housed in city with excellent living conditions—population under 500,000. Employer assumes all moving costs, service fee, etc. We guarantee confidential handling of all inquiries.

This position representative of the most extensive insurance position listings from any source in the country.

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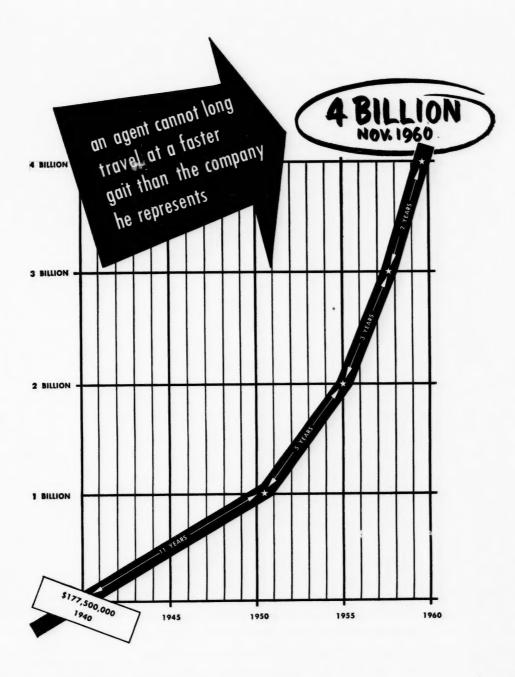
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The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans.

Over Four Billion Dollars of Insurance in Force

475

FOUNDED 1867 - DES MOINES

Standard Life Will Be Host For Conclave On . Mutual Funds, Insurance

A life company conference on "The Partnership of Life Insurance and Mu-tual Funds" is being sponsored by Standard Life of Indiana at Indianapolis Jan. 23-24. Invitations are being extended to officials of life companies who have shown an interest in this subject. Company executives desiring an invitation may write Standard Life.

ation, a pioneer in variable annuities, will be among the principle speakers. He will describe the acceptance of the variable annuity and how it is sold. Officials of Standard Life and Advisers Fund Management Corp. will also be on the program. These two organizations have been cooperating in a program which offers an investment in a guaranteed dollar contract together with equity securities.

Teachers Insurance & Annuity Associ- agent's portfolio, public relations, legal and licensing requirements and other topics suggested by the guests in attendance.

American Travelers Sets Record

American Travelers Life of Indianapolis in the first nine months of 1960 passed all former production records. Insurance in force in the first three quarters exceeded \$40 million and was 40% ahead of the previous year's final Among the subjects to be discussed figure. Premium income increased will be the sales procedures and the more than 180% compared to the first effect of mutual funds in the life nine months of 1959.

Announce Program Of Advanced Underwriting Forum At Puerto Rico U.

Case analysis will form the foundation tion of the advanced underwriting forum to be held Jan. 8-13 at University of Puerto Rico. The program wil be devoted to discussing and exchang ing ideas on sales techniques in bus ness insurance, pension and profit sharing plans, deferred compensation and estate planning.

"It will be assumed that the regis-trants either already know the technical subject matter or can obtain if from technical services," said R. W Osler, Underwriters National, cochairman of the forum. "The person. ality of this conference . . . is how to use the information you learn else, where to make the actual sale."

Participating as discussion leaders and panel members will be Mr. Osler, NALU President William E. North, New York Life, Evanston; Arthur Priebe Penn Mutual, Rockford, Ill.; Prof. R. I. Mehr, University of Illinois; Prof. Irwin Cochrun, University of Illinois; William Harmelin, Continental Assurance, New York; Adon Smith II, Northwestern Mutual, Charlotte, N. C.; Ben Stern, Sidney Thompson and John Langan, New England Life; and Profs. Manuel O. Diaz, Hector N. Acevedo and Jose H. Rivera-Cintron of the University of Puerto Rico.

Agenda Given

The complete agenda will be— Sunday, Jan. 8: 5-6 p.m., fellowship hour. 6:30 p.m., opening banquet with introductory remarks from represen-tatives of the University of Puerto Rico and Prof. Mehr.

Monday, Jan. 9: 8:30 a.m., pension plans, Thompson and Langan. Lunch-eon. 6:30 dinner. 7:30 deferred compensation, Stern and Langan.

Tuesday, Jan. 10: 8:30 a.m., profitsharing, Smith. Luncheon. 6:30, dinner. 7:30 panel on pensions, deferred compensation, and profit sharing. Moderator, Priebe; panel members, Thompson, Langan, Smith, Harmelin, Stem, Dias and Rivera-Cintron.

Wednesday, Jan. 11. Open day.

To Examine Business Insurance

Thursday, Jan. 12: 8:30 a.m., business life insurance, Priebe, and busihealth insurance, Harmelin. Luncheon. 6:30 dinner. 7:30 panel on business life and health insurance. Moderator, R. W. Osler; panel members, Priebe, Harmelin, Stern, Thompson Langan, Smith, Dias, and Rivera-Cin-

Friday, Jan. 13: 8:30 a.m., estate planning, Stern. Luncheon. 2:30 p.m., panel on estate planning. Moderator, Mehr; panel members, Priebe, Harmelin, Stern, Thompson, Langan, Smith, Dias, and Rivera-Cintron. 7 p.m., banquet and address by Prof. Cochrun.

Special Sessions For Puerto Ricans

Saturday, Jan. 14: 8 a.m., breakfast. In addition to this schedule above afternoons and Saturday morning will be devoted to special sessions for Puerto Ricans in attendance, interpreting the discussions in terms of Puerto Rican laws.

Registrations will be limited to 50 from the mainland and 10 from Puerto Rico. Registration fee, including board and room, case materials, notebooks, etc., is \$245. For wives, meals and lodging in the student union will be

Information on the forum is available from the bureau of business management, University of Illinois, 30 Commerce Annex, Urbana, Ill.



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The end of a partnership ... but not of a business

Several years ago, two young business associates had the opportunity to buy out their senior partners. It meant obligating themselves for large payments over a period of years. A New England Life agent pointed out that this also meant obligating their estates in the event of death before the purchase was complete. He subsequently insured the men for \$50,000 each — with both policies carrying Accidental Death Benefit riders.

In July, 1959, two years after the policies were issued, New England Life added a clause to its accidental death rider. It guaranteed payment of double the Accidental Death Benefit in the event of accidental death to a fare-paying passenger on a common carrier. In keeping with our belief in mutuality, the liberalized coverage was applied retroactively to all such riders at no increase in premiums.

Some time later, one of the partners was killed in the

plane crash pictured above. His basic coverage with our company protected his widow and the surviving business partner against the financial reverses that might have been a result of this tragic accident. But because of New England Life's attitude towards "old" policyholders, substantial additional protection was provided as well.

This incident is a dramatic illustration of how New England Life, through adherence to the principle of mutuality, frequently is willing to go beyond the letter of a contract in providing policyholder benefits.

NEW ENGLAND

Mutual LIFE Individuce Company

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA • 1835

Finds Deconcentration In Life Industry, But The Business Is **Growing Faster Than Any Other**

on Insurance and Government. Mr. the pattern of concentration be in

A decline in the concentration of Bicks addressed himself to four quesmarket power in the life insurance tions: What is meant by life insur-business was reported by Robert A. ance? What standard should be used Bicks, assistant attorney general of in gauging the market power of the the U.S. Department of Justice antibusiness? What geographic area trust division in his talk at the should the standard be applied to? University of Wisconsin Symposium How significant would any change in

competitive terms?

He decided on insurer assets as the standard, although conceding that insurance in force or premiums would also be acceptable criteria. The appro-riate market on which to derive con-clusions should be national, since most of the largest companies do business in most of the states

Mr. Bicks found that the data available permitted several broad conclusions, and the competitive significance of any one depended largely on perspective from which competition may be viewed as well as added facts

Your money

grows faster at

Northwestern

This company has a particularly high Investment Quotient...which means

that you get a greater return for every

dollar you invest.

There are several reasons for this. One concerns Northwestern Mutual's low op-

erating cost. Home office operations have always been kept simple. Now, with the added help of modern electronic

to policyowners.

In fact, the portion of premium used

for operating expenses is just about half the average of the 14 other largest insur-

Another reason for Northwestern

Mutual's faster money growth is a pro-gressive investment policy. Average net

interest earned has, for years, been above the average of the 14 other largest life

issurance companies.

Because we are a mutual company

olicyholders own the company . . . sha

policynologis own the company ... shar-ing in the earnings and the economies. If you would like more information, con-tact your Northwestern Mutual agent. He's listed in the phone book. The North-

al Life Insurance Co

Mutual

peculiar to that perspective."

The share of industry assets he will be the top life insurers has declined in noticeably, he declared. In 1906, 4 companies owned 97.7% of the top life No. assets, in 1947 the top 49 owned 90% and by last year that figure had shru to 84%

"Perhaps more important than an decline in share of total life asset held by top firms has been the rate of new life insurance entrants," he said. There are many more life companies now than in the past-1,400 plus today against 473 15 years ago.

"This rash of new entrants," he noted, "as might be expected, ha appeared during an era of very rapid insurance growth." Life company assets have nearly doubled in each of the past four decades. They have risen from \$14.4 billion in 1927 to \$26.2 billion in 1937 to \$51.7 billion in 1947 to \$101.3 billion in 1957.

Despite the decline in asset concen tration during this period of life in-surance expansion, the leading life companies have risen in prominence among the nation's leading corpora-tions. In 1953, Metropolitan Life (now second) was the largest corpora tion in assets in the U.S., Prudential was and still is third, and Equitable Society (now sixth) was 12th. Five companies were among the 25 largest corporations in 1935, and today there are eight life insurers in this group

Greatest Gain Of Any Industry

Even more impressive, he said, is that in 1935 life companies accounted for slightly more than a quarter of the total assets of the 25 largest corporations. By 1958, the life insurance share had jumped to 38.4%. This was the greatest gain of any class of companies, and insurance now accounts for the largest proportion of assets of any group, the only close rival being

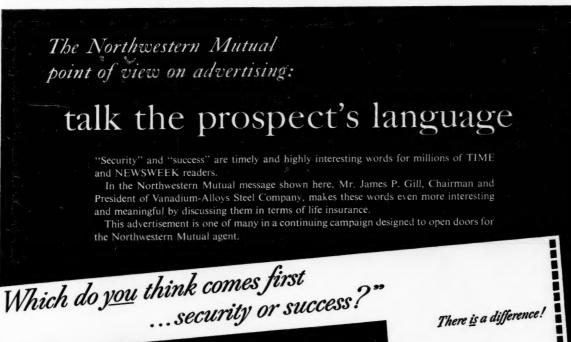
Concluding that the life industry has grown as fast, if not faster than any other business, Mr. Bicks pointed out that a great deal of this growth has stemmed from internal expansion rather than absorption of other insurers

From the potential buyer's point of view, he opined, the broad shift of concentration over a period of time creates little immediate interest unles there is a concomitant change in patterns of state regulation which permit competition in terms, costs, and servicing of policies.

"Much the same goes for the business concern seeking to woo insurance company investment," Mr. Bicks declared. These firms are interested in changes of concentration only to the extent that there are sources to borrow from.

Depends On Added Facts Furthermore, he said that the alternative insurance-investor source "become real only when state law permit a particular sort of investment And even when state laws do, the company seeking funds may consider in addition to insurance-investor terms and conditions, the availability of new capital from bank and equity market sources. So, from the point of the individual investor or class of investor as well as would-be policyholders, the significance of broad, long-run trend toward deconcentration in life insurance must must depend on facts."

Shelby Mutual's new Florida regional building at Winter Park scheduled for completion in early sum mer. 1961.





by JAMES P. GILL Chairman and President. dium-Alloys Steel Co., Latrobe, Pa.

"Some people say a young man should think of success first and security second. I don't agree. I believe security breeds success. That's why I think young men should start their programs of permanent life insurance early.

"A conscientious and experienced life insurance agent can help work out a realistic balance between what young men need, and what they can afford. He can review their programs with them at least once a year as their needs and responsibilities increase.

"This way, life insurance lets a man concentrate on his career instead of worrying about his family's future. It permits him to take advantage of busi-

ness opportunities. He can afford to be ambitious—knowing the basic things a

"And as he progresses, each new pol-icy he may acquire is a measurement of his success ... a permanent and positive record of his security. As the years go by, retirement becomes a reality ... not just a some-day possibility. His return is guaranteed, his future is assured. This is security. This is success."

The NORTHWESTERN MUTUAL LIFE Insurance Company "BECAUSE THERE IS A DIFFERENCE"

Sixty-eight state Mutua novel course nvolves no ime, yet h ng letter wr David G. director, exp etters but w proach to to consultar ompanies, v room ir

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s declinate Mutual Life s declinate Mutual Life 1906, the total Novel Course when your letter Writers For Letter Writers

Sixty-eight home office employes of the rate than any size Mutual Life have completed a world course in letter writing which wolves no formal instruction or class me, yet has shown itself to be a simple and effective method of teaching letter writing skills.

ants," he director, explained, "We were aware cry rapid the need for improvement in our cry rapid etters but we weren't sure of the need for improvement in our company approach to the problem. After talking a each of the consultants and some other large companies, we were not convinced that 1927 to dassroom instruction or the prepara-.7 billion of guide letters was the best an-

concen-"We thought, as a result of our studies, that we could design a letterding life writing improvement program to acemplish three important objectives to raise the quality of correspondence emanating from the home office, to gain this improvement without resorting to expensive, time con-suming classroom presentations which are often not appreciated by participants, and to avoid most of the cost of an outside consultant."

Two Factors Involved

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State Mutual's approach depended on two factors: The presence in Worcester of several outstanding colleges, and the fact that 90% of home office letters are typed in a central transcription department.

surance After some investigation the com-pany enlisted the services of Donald H. Letendre, assistant dean and asaccounts sciate professor of English at As-sumption College. Prof. Letendre agreed to do a weekly critique of l being carbon copies of letters supplied by the er than transcription department.

An employe group was selected for trial purposes. The transcription depansion partment was instructed to provide asurers an extra carbon copy of all letters with the prepared for each employe in the group and these were sent to the prolessor. He selected representative letters from each employe, penciled his suggestions on the carbon copy, and then returned the corrected copies directly to the employe who had originated the letter.

Critiques And Tips

Each participant received 18 individual critiques during the frst three months of his enrollment. At the same time he was given a short "Letter-writers' Service" bulletin each week, prepared by the personnel department training staff. These bulletins contained tips on letter writing and re-minders about the more common er-rors which Prof. Letendre uncovered.

When the first three months had elapsed, participants were given a three-month vacation from the program and a second group was started. Three months later the first group was given another three-month critique period so that both the employes and the professor could evaluate the progress, if any.

According to Prof. Letendre, marked improvement was evident in the let-ters of most of the 68 people who ompleted both critique periods.

Mr. Muller points out that one of the advantages of the method is that the progress of an individual is not subject to scrutiny by his superiors. The contents of each critique are known only to the originator of the letter and to the professor.

Another group of 34 people will enter the program sometime in December. Ultimately, all State Mutual home office employes who originate correspondence will be given an opportunity to participate in the program.

Manhattan Life Increases Its Non-Medical Limits

Manhattan Life has increased its non-medical limits, effective Dec. 1. The new limits, where permitted by

state law, are for ages up to and including 35, \$25,000, and from age 36 to 40 inclusive, \$10,000

The company's other non-medical limit, which remains unchanged, is \$5,000 for ages 41 to 45 inclusive.

After a two-year interval, Manhattan will consider an additional \$5,000 on a non-medical basis.

Bruce Associates Formed In N. Y.

Thomas M. Bruce Associates, a multiple line management and consulting company, has been formed at 161 East 42nd Street, New York, Mr. Bruce has been president of Puritan Life.

W. Douglas Bell Named Wash. National Has State Mutual Life V-P

W. Douglas Bell, managing director of Canadian Health Insurance Assn.,

has been elected a vice-president of State Mutual Life. Mr. Bell will serve as first assistant to Irving T. F. Ring, senior vice-president and general counsel, but will not assume his new post until early in 1961.

Mr. Bell was with Paul Revere Life for 10 years as

an agent, attorney, assistant counsel, and finally, Canadian vice-president and general manager, the post he held Has New Policy in 1959 when he became managing director of CHIA.

St. Louis Life General Agents & Managers Assn. will hold its annual Christmas party Dec. 20 at the Missouri Athletic Club.



Rate Book Changes

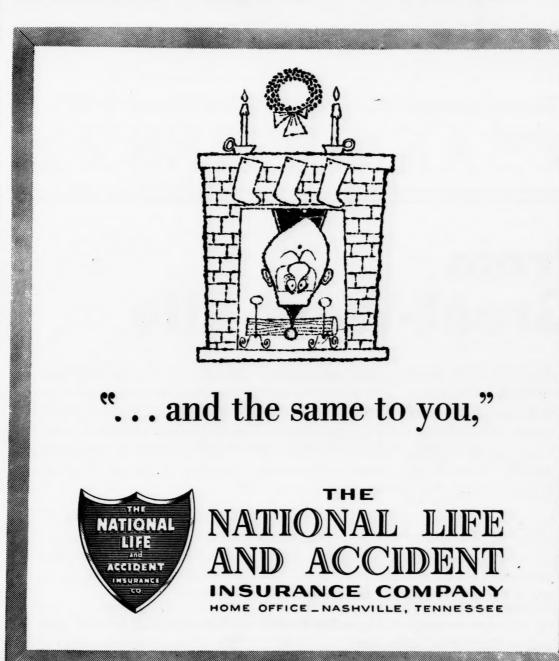
Washington National has issued a completely new ordinary life rate book, revised ordinary policy forms, many new policies, substantial reductions in premiums and new minimum amounts of coverage.

New policies include a whole life paid-up at 95, 30-pay life, 10 and 15-year endowment, a reducing term policy for the mortgage market, a 25year reducing term rider, a 20-year additional term rider, and a guaranteed insurability rider.

Ages at issue have been extended on many plans to 70 and certain whole life plans can now be issued down to 0.

Resolute Credit Life

Resolute Credit Life has a new credit life and disability policy. The policy incorporates credit life and 90-day retroactive disability coverage at no increase in premium from that paid for credit life and 120-day retroactive disability protection.



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Greater Cooperation Between Insurers And Medical Men Required

It is absolutely essential that the insurance industry achieve an atmosphere of understanding and cooperation with the providers of medical care in order to develop and maintain a program of voluntary health insurance that will give the public the best of medical care at a reasonable cost, Raymond F. Killion, 2nd vice-president of Metropolitan Life and chair-

man-elect of Health Insurance Council, told the eastern regional meeting of HIC at Boston

HIC embarked on its program of state committees in 1957 to strive for understanding with the providers of medical care, he said, and in the three years since has established committees in 49 states with more than 500 insurance company representatives.

He said much has been accomplished by the state committee program, "but much remains to be done."

Mr. Killion noted that one problem facing the insurance business was the recent formation of a national Blue His Recruits Failed Cross organization. One particular purpose of the new organization, Mr. Killion declared, is to step up the various Blues' competitive position in providing hospitalization insurance for employes of national business or-ganizations."

Prepared For Fair Competition

He said the insurance business "is of course prepared to cope with fair competition which is, after all, a dominant characteristic within our indus-

But Walk-ins Didn't. Indianapolis GA Reports

"I have never had a 'recruit' su ceed," Guy Morrison, general agen Northwestern Mutual, Indianapolis, to members of General Agents & Man agers Assn. of that city at their November meeting. "My successes

he does let centers of influence know when he is looking for men.

He said that before he became fit the specifications, their actual success varied widely. Therefore, he beis the real difference in success of

said he looks at both the outside and inside of a man. As for the exterior he wants a man who commands attention when he walks in on a prospect What factors cause that attention are less important than the fact that such command exists.

he desires:

not work with a man unless he has a high IQ. Undoubtedly some general agents can; but I can't. Therefore, I

2. A creative thinker. "I have to have a man who can sort the pieces and put them together. I can't have a man I

a drive to succeed and a desire to be first."

4. A success pattern.

5. The entreprenueral type: "A man willing to invest in himself."

Mr. Morrison said that he always looks for the million-dollar producer. 'I don't hire a man I think doesn't

where he wants to, he concluded, but he must decide what he is going with and recruit men to fit.

Leading agents of Ohio National, a

Clyde Hines, West Milton, O., pre ident of the Builders Club. Other new officers are Dwyer

D. Best, Grange ville, Ida., president; Harold E. Simmons Waynesburg, Pa, secretary; and Samuel E. Stroup, Holdrege, Neb., 85-

November meeting. "My successed have always been with 'walk-ins." Mr. Morrison, speaking on "Factor that Will Affect the Agency You Will Develop," pointed out that while he has Great-West been unable to succeed with "recruits,"

general agent he felt that too many general agents were trying to develor men not suited to the job. Researching the subject, he developed a set of specifications for the "ideal man." His problem was, however, that although he could find examples of men who came convinced that the general agent failure of a man as an agent.

Once such premise is adopted, M Morrison said, the first question for the general agent to decide is what kind of man he himself is mentally and emotionally. "This determines the kind of man you will hire," he ex-plained. "There must be rapport between the man and the general agent."

In seeking new men, Mr. Morrison

He listed five interior specification

1. Good thinking equipment. "I can won't contract any other kind of man'

must direct step by step."

3. Ambition. "I want a man who has

have that potential."

Any individual general agent can go

Ohio National's Leading **Agents' Club Elects Hines**

the company's Hollywood Beach, Fla, conference, electe

sistant secretary.

Bai Thomas 1 anapolis Wa a trustee. Line

Promoted ecretary, to dent; Theod manager, t Pender, cla secretary, c

Why so many brokers prefer

from **Great-West Life**

Great-West Life Annuities offer your clients — at low cost — a life-time taxsheltered investment . . . offer you a very profitable commission rate. In addition to the participating Annual Premium Retirement Annuity, Great-West has a wide variety of participating and non-participating Single Premium Plans and many other contracts tailored to suit individual requirements . . . such as Temporary Annuity, Term Certain Annuity, Reversionary Annuity . . . in fact, there's a profitable Great-West Annuity to meet every need.

NNUITIES

Great-West Life has many other advantages too! Here are the most important . . . a wide range of quality contracts; rates that win sales; personal, attentive service on every contract; liberal commissions; complete co-operation and open-minded assistance from Head Office; plus the fact that Great-West is firmly established as one of the most experienced leaders in brokerage business.

Increase your earnings . . . by selling Great-West Annuities. Call or write your nearest Great-West office today.

The Great-West Life Assurance Company

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Home Office Changes

Life Of Georgia

agent John M. Bragg, olis, told rice-president and & Man. actuary, has been their uccesses ins.'" lected a director. He is a fellow of Factor Society of Actuarou Will is and was with e he has Great-West Life e know

ecruits," for nine years. e know John M. Jackson Jr., director of agencies, has been named vice-presi-

dent and manager of agencies. A. CLU, he was North Carolina territorial manager and before that was an assistant manager for Metropolitan Life.

al suche be l agent cess of ion for s what entally nes the he exort be

Jason B. Gilliland, assistant vice-

president, has been promoted to viceresident and associate general counsel. W. Edward Leland, assistant vice-

president, has been promoted to vice-



Edward D. Lord

Jason B. Gilliland

president and mortgage loan manager. He was with Commonwealth Life and Equitable Society.

Edward D. Lord, group manager, has been appointed assistant vice-president and group manager. He was with New York Life in Houston and with Sun Life of Canada in Chicago and

Provident Mutual Life

Herbert W. Blades has been elected assistant secretary there. a director. He is president of Wyeth Laboratories, division of American Home Products Corp., and executive vice-president of the parent company.

Prudential

J. R. Ericsson has been appointed senior investment analyst in the bond department. He was a security analyst with Arnold Bernhard & Co., New York investment advisers.

Bankers Life, Neb.

Thomas W. Moses, president Indianapolis Water Co., has been named

Lincoln Income Life

Promoted are Lawrence A. Olges, secretary, to secretary and vice-presichief underwriter, to assistant secretary, underwriting, and Albert Benninger, assistant director of personnel, to home office director of personnel.

Old Republic Life

Kerwin T. McClelland has been named comptroller. He has been with Louisiana Insurance Rating Commis-

Franklin Life

Carl W. Solenberger has been promoted to vicepresident and actuary. He has been in the actuarial department since 1946 and actuary since 1958. Before that he was with American United and the Michigan insurance department in actuarial capacities



C. W. Solenberger

Ohio National Life



Theodore T. Mc-Clintock has been named to the newly-created position of vice-president, group and pensions. Prior to joining Ohio National, Mr. McClintock served as regional vice-president, reinsurance, with American United Life, Columbian

National, Ohio State Life, and Fidelity Health & Accident Mutual.

Kansas City Life

Milo Sandburg, issue department supervisor, will retire Dec. 31. He has been with the company since 1932. He has worked in premium extension agreements, accounting-general, accounting-tabulating and issue depart-

Guarantee Mutual

George J. Smith has been appointed field supervisor. He has been in personal production with the Smith agency of Lawton, Okla.

Aetna Life

F. I. Michell, superintendent in the A&H department, has been appointed

WOODMEN OF THE WORLD, OMAHA, has elected Charles A. Hines chairman. He has been a director for 25 years. Charles Sublett, California state director, has been elected a director to fill a vacancy created by the retirement of former Chairman E. D. Rivers. John N. Cochran, vice-president and director of membership services, has been advanced to executive vice-president. He succeeds Max B. Hurt, who will become ex-officio vicepresident while remaining fraternal activities director. New chairman of trustees is Jerry E. Long, who was state manager for New York, Rhode Island and Connecticut before retiring in 1948.

NORTH CENTRAL LIFE-Leonard dent; Theodore Rich, data processing T. Heinen, formerly assistant to the manager, to controller; Robert E. Pender, claims manager, to assistant secretary, claims; Douglas E. Nickens, underwriting, replaces him.

KENNESAW LIFE & ACCIDENT has appointed H. E. Strecker director of sales in the A&H department. He has been vice-president of Physician's and Surgeon's Life and before that was director of training for the intermediate division of Continental Cas-

BANKERS MUTUAL of Freeport, Ill., has appointed Gaylord B. Emrick secretary and treasurer. He has been treasurer.

MICHIGAN LIFE-Ralph E. Olson D. Hughes assistant vice-president.

Offers Military Aviation Coverage

Lutheran Brotherhood is offering military aviation coverage on an unrestricted, worldwide basis with payment of an additional premium. The extra premium varies, depending on the military assignment, type of plane flown, and applicant's age. The fraternal has been writing civilian aviation coverage for some time, and the new insurance program will cover air force, navy and marine aviation personnel, air national guard and reserve memhas been elected actuary and Gerald bers of these services, including helicopter pilots.



"Ted, having our reinsurer is like having two more top underwriters, at no cost!"

"I agree North American Reassurance is quite a help, Howard, but isn't that a big statement?"

'Well, remember when their field representative was here last week? He gave us the dope in a hurry on how to solve those three problem cases last month. So happened we retained two cases ourselves and ceded one to them."

"Hmmm, that's true . . . and their help is fast. Why, I phoned them about a highly rated case one morning last week and their decision was on my desk when I got back from lunch!"

"And since you mentioned substandard, how about the way North American Re will accept facultative cases rated up to 1000%? How about the applications we had to turn down that they've revived for us?"

"Now there's a service that's really had an effect on the agency force!"

"Not to mention their advice on the recent revisions of our non-medical limits and medical requirements . . . and all those special medical studies they publish, and . . ."

"I'm convinced except it may be three underwriters instead of two!"





NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

Regional Offices

230 North Michigan Ave., Chicago 1, III. 1509 Main Street, Dallas 1, Texas 400 Montgomery St., San Francisco 4, Calif.

Reinsurance Exclusively . ACCIDENT & SICKNESS . GROUP

Changes In The Field

Berkshire Life

M. C. Willis has been appointed supervisor of the Speyer agency, general agent in Boston. He has been an agent with Prudential there.

A. E. Braun has been appointed supervisor of the Westreich agency, general agent at New York. He has been brokerage supervisor there for

Now, For Farmers!

MUTUAL

DESIGNED!

State Mutual Life and before that was office manager for Columbian National

Employers' Life

G. F. Reynolds has been appointed brokerage supervisor at Boston. He has been a supervisor for United Life & Accident at Lynn, Mass., and before

Dynamic, Practical Non-Can S&A Coverage!

Connecticut General Life

J. C. McGroder, senior brokerage consultant at the Cleveland brokerage agency, has been appointed assistant manager there.

J. A. Freeman and G. R. Hambrecht, brokerage consultants at the Memphis brokerage agency and Boston branch office, respectively, have been named senior brokerage consultants.

Appointed brokerage consultants are H. W. Dare Jr., at the Baltimore branch

that was with National Life of Ver-mont.

office; P. E. Grimm, at the Los Angele downtown brokerage agency, and D. R Bernick, at the Buffalo branch office

Fidelity Mutual Life



Donald C. Me-Cune, agent Pittsburgh, been appointed general agent then to succeed the lat C. B. Metheny. Mr. McCune, a life an repeating member of Million Dolla Round Table and life member Pennsylvani: Leaders Round Table, is a directo

of Pittsburgh Life Underwriters Assn and chairman of the group insurance committee of Pennsylvania Life Underwriters Assn.

Hartford Life

C. H. Krise Jr. has been appointed manager at Houston. He has been manager there for American General

Pan-American Life

Edward C. Quackenbush Sr. has been appointed general agent at Kansas City, Kan. He has been field supervisor and general agent for Postal Life & Casualty and before that was with Bankers Life of Iowa. He is program chairman for Kansas City Life Underwriters Assn.



Occidental Of California

James H. Poston has been appointed assistant manager at Dallas. He assumes his new position after nine months there as assistant brokerage manager.

Georgia International Life

H. S. Bressler and F. C. Perkins have been appointed general agents at Eugene, Ore., and Spokane, respec-tively. Mr. Bressler was with New York Life at Eugene and Mr. Perkins was a supervisor and trainer for Penn Mutual Life.

American United

Ellsworth O. James has been appointed manager at Davenport, Ia. He has been branch manager for Metropolitan Life and Occidental of Califor-

Jefferson National

Byron C. Johnson, former agency vice-president, has been named regional vice-president at Phoenix for Arizona and the southwest.

New general agents are William Rengering at Cincinnati and Wallace Bless at Richmond, Va. Mr. Rengering

Service Guide

CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES Ralph 9. Colton
30 N. LaSalle St.
Financial 8-9792 Chicago 2, III.

A New, Greater Insuring Opportunity For You!

Here is a highly flexible non-can S & A package that enables you to write made-to-order, complete income replacement coverage that fits the specialized requirements of FARMERS ... as well as SMALL BUSI-NESSMEN, PARTNERSHIPS AND KEYMEN. Check these business-building features: (1) WAIVER OF PREMIUM while your insured is totally disabled, even beyond his benefit period; (2) DIVIDENDS to reduce premiums, to accumulate at interest, or in cash; (3) OPTIONAL PARTIAL DISABILITY for S & A male risks; (4) EASY-TO-READ, UNDERSTANDABLE FORMAT featuring a fill-in schedule that eliminates riders. Three policies are featured in this "packaged program": two S & A and one Accident-only. Here you have complete, quality coverage backed by the prestige of Security Mutual! Check on this most-sellable insurance package in years-then contact your Security Mutual man. He's a good man to know!

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Harland L. Knight, Agency Vice President.



your security our mutual responsibility

81 EXCHANGE STREET, BINGHAMTON, NEW YORK

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headed by APPALA -D. W. regional si ginia. He

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g president of the Rengering general insurance agency, and Mr. Bless has been with Pilot Life for seven years. nd D. R

Massachusetts Mutual Life



Robert E. Hannon, assistant general agent of the Jorcago and also manager of the district office at Evanston, agent of a new ton. He is a member of the 1960 Million Dollar Round Table.

Equitable Society

M. A. Pratt, district manager of the Bruno agency at Boston, has been named manager of another Boston agency to succeed E. L. Tappert, who has been transferred to Detroit.

Pilot Life

P. F. Perfetti has been appointed general agent at Philadelphia. He was with Prudential in Pittsburgh.

Paul B. Martin, associate general





agent at Charleston, S. C., has been promoted to general agent at Colum-

R. E. Lee has been appointed group supervisor at Cincinnati. He has been with Provident Life & Accident.

Life Of Virginia

W. D. Orander, manager at Kinston, N. C., has been appointed co-manager charge of the agency when Mr. Landis retires Dec. 31. Mr. Orander was associate manager at Augusta, manager at Baton Rouge, and field training supervisor and manager at Burlington, N. C.

G. T. Dunn, manager of the Aiken, S. C., district office, has been appointed to succeed Mr. Orander at Kinston. Mr. Dunn was an agent at the Columbus, Ga., district office and associate manager at Augusta.

Constitution Life

Lawrence E. Tipton has been named general agent at Greenville, N. C. He has been with Pacific Mutual.

GIRARDIAN of Dallas-New general agents are Lloyd A. Morrison, Walter V. Higginbotham, Richard J. Castic, Arthur R. Ball, Robert P. Mainzer, Irving M. Campbell, Albert F. Schrader Jr., Emry G. Ellertson, C. Lester Prinster, Raymond O. Wenger Jr., Robert G. Cryer, H. H. Mueller, Peter W. Bauman, Dean Magwire, Richard T. Kessler, Jack Q. S. Lee, David H. Ransom, and Downeast Associates, headed by John A. Roe.

APPALACHIAN NATIONAL LIFE -D. W. Hurst has been appointed regional supervisor for western Virginia. He has been district manager

with Jefferson Standard Life. R. R. Ullom has been appointed general agent at Norfolk. He has been general agent there for Constellation Life. Nepp Roderick has been appointed general agent at Athens, Tenn., where he has been with Atlantic Life.

dan agency at Chi- N. J. Compulsory Disability Report On 1959 Benefits

The New Jersey department of labor Ill., has been appointed general and industry has released a summary of reports on benefits paid under pricompulsory disability plans in agency at Evans- 1959. The following summary includes reports from 62 insurance companies, or all insured private plans:

> Premiums Earned Less: Experience Refunds & Credits Voluntary or Contingency Reserve 1,141,951.39 33.851.53 25,577,019.21 1,155,277.38 20,196,024.44 435,335.33

Dividends to Policyholders
Benefit Losses Incurred
Claims Expense
Commissions, Other Acquisitions
& Field Supervision Expense
General Administration Expense
Taxes, Licenses,
Toder Expense
Total Expense
Excess Net Premiums
Earned Over Dividends,
Losses and Expenses 1,070,364.59 919,336.39 973,138.71 3,398,175.02

BENEFITS PAID DURING 1959 UNDER ALL PRIVATE PLANS UNDER ALL PRIVATI
2 Insurance Companies
74 Self-Insured Employers
9 Disability Benefits Funds
Established Under Agreemen
With Unions or Associations
of Employee of Employes
Total Benefits Paid Under
All Private Plans 761.971.70

America Fore Loyalty **Group A&S Agents Meet**

Fifty-three general agents of America Fore Loyalty group from 18 mid-west states met in Chicago for the group's annual Assn. of A&S Group Agents meeting.

The two-day affair, under the supervision of Irving G. Wessman, Loyalty companies secretary, featured discussions of production ideas, competitive factors, analyses of coverage and problems facing the multiple line agency

William R. Prouty, Des Moines, was this year's chairman.

Continental Life & Accident of Boise has dedicated its new offices in the former Yates Building which the at the Charlotte, N. C., district office former Yates Building which the with H. M. Landis and will take full company purchased and has completely remodeled.

Thanks again-Health Insurance men!



You broke the record once more

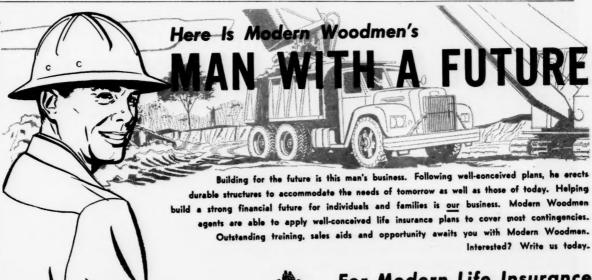
Health premiums up 25%

As they have every year for more than a quarter century, American Casualty agents, in 1960, broke every existing record in the production of Health Insurance. Volume is at the highest peak ever reached in Acco's 58 year history — 25% above 1959 - and with a few weeks still to go.

To you who are responsible for this remarkable achievement — our very sincere thanks.

AMERICAN CASUALTY

61 Branch and Service Offices Coast to Coast Home Office-Reading, Pennsylvania • Since 1902 CASUALTY . SURETY . PROPERTY . HEALTH





For Modern Life Insurance It's Modern Woodmen

MODERN WOODMEN of America • Home Office • Rock Island, III.

Pacific Mutual To Pay Dividends On Non-Par

Dividend payments will be made to owners of formerly non-participating life policies by Pacific Mutual Life during 1961, one of the few cases in the insurance business where fixed premium life insurance has become dividend paying.

The payments result from the company's completion of mutualization in 1959. At that time, insurance originally purchased as non-participating auto-

FOR INFORMATION REGARDING

BROKERAGE OPPORTUNITIES

CONTACT EDWARD R. NADALIN

Assistant Vice President and

Director of Brokerage

matically became participating. The insurance. The 1961 increase will affect company said then that these policy-holders could look forward to policy dividends "should they be earned by this class of business."

Of some 80,000 formerly non-par-

ticipating life policyholders, approximately half have policies that will share in a total of \$700,000 in dividends next year. It is expected that a ton have given up their Christmas larger proportion will earn policy dividends in succeeding years.

At the same time Pacific Mutual announced an increase in the basic policy dividend rate on its participating life Parents' Plan.

most participating policyholders. The amount will vary with plan of insurance and age at time of issue, but average increase will be about 9% above the 1960 scale.

gifts for the second year in order to maintain a four-year scholarship they set up last year and also to "adopt" three needy children through Foster

Ins. Corp. Of America Acquires Life Sales Unit

Insurance Corp. of America, headed by Mark H. Kroll, has acquired, by a stock exchange, Polland-Shore of Milwaukee, brokers specializing in pension life insurance plans.

Polland-Shore will continue at its present quarters at 225 East Michigan Street as a subsidiary of ICA. Mrs. L. R. Shore will remain as president Vice-president of Polland-Shore is Milton Polland, who is president of Union Trust Life of Milwaukee. His son, Peter Polland, is secretary-treasurer of Polland-Shore and vice-president of Union Trust Life. Their future capacities with Polland-Shore have not been determined.

Provides Entry To Life

The announcement from Mr. Kroll of the acquisition says that the earnings of Polland-Shore for the fiscal year ending April 30, 1961, are estimated at between \$50,000 and \$100,000, before taxes. Polland-Shore has more than \$10 million of life insurance in force with an annual premium exceeding \$400,000. Mr. Kroll says the addition of Polland-Shore to Ins. Corp. of America group "provides a springboard and paves our way for full entry into the life insurance field."

Ins. Corp. of America, Mr. Kroll reported, is now writing more than \$200,-000 a month in surplus line insurance. He described this as the company's most profitable operation.

Mr. Kroll is also president of Pan-American Surety of West Palm Beach, which is separate from Ins. Corp. of America. He had been president until a year ago of Michigan Surety, which the Michigan department claimed was insolvent. After a period of custodianship, a court ordered the company returned to its management, which by then was minus Mr. Kroll, and an appeal of this order by the Michigan department is pending before Michigan supreme court.

Calls Insurance One Of Last Opportunity Fields

Insurance "is still one of the great businesses left for those whose major concentration is not on personal security but rather on opportunity," J. Edward Day, vice-president of the Los Angeles regional home office of Prudential told a group of junior college and high school students.

Appearing on the program of Business-Education Day sponsored by Los Angeles Chamber of Commerce, Mr. Day said: "Insurance is one of the few areas where people can come in without experience—even without advanced education—and be right up with the top-earning people from the very beginning."

He also commented that the insurance center of California has shifted from San Francisco to Los Angeles during the last 15 years. Insurance provides employment for 45,000 office workers and 75,000 agents in the Los

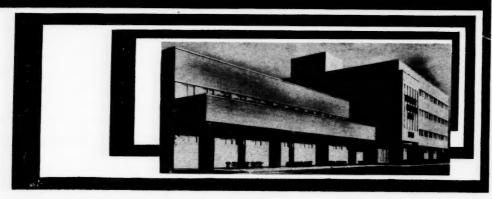
Service Guide

ROBERT I. BUSHNELL

Management Consultant to Insurance Organizations FIRE—CASUALTY—LIFE

Hoydens Hill Road Fairfield, Connecticut

Aktieselskabet Som Er Fremadstraebende Aktiebolaget Som Ar Framatstravande Aksjeselskapet Som Gjører Framskritt La Compania Que Va La Compagnia Che Va La Compagnie Qui Avance Die Gesellschaft Die Voran Ist Die Vorwarts Strebende Gesellschaft Het Maatschappij Wat Opmart



In any Language.

Republic National Life

Is the Company

of the Life Insurance Industry

Providing Complete Life and Accident and Sickness Protection in 42 States, District of Columbia, Puerto Rico and World-wide Reinsurance Service.

REPUBLIC NATIONAL LIFE INSURANCE COMPANY DALLAS, TEXAS

LIFE . ACCIDENT . SICKNESS . MEDICAL AND SURGICAL REIMBURSEMENT . HOSPITALIZATION GROUP . PENSION . FRANCHISE . BROKERAGE . COMPLETE REINSURANCE FACILITIES LA. Age Life In

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Life Insurance Is Last Of Promising Frontiers For Capital-Less Men

"Life insurance is one of the few remaining frontiers with promising returns open today to young men without capital," Mrs. Florence Watt, college placement officer University of Southern California, told Life Insurince Managers Assn. of Los Angeles at its November luncheon.

Wrs. Watt Is Moderator

Mrs. Watt was moderator of a panel of college placement officers discussing recruiting procedures within the college market. Members of the panel were Herbert Gatzke, director student personnel services Claremont Graduate School; Donald LaBoskey, manager student and alumni placement center UCLA, and Fred G. Rhodes, placement director Los Angeles State College.

Mr. Gatzke, discussing specific prob-lems facing the student in selecting a career, said the life insurance field faces growing competition for the college graduate, and the size of the potential pool constantly is dimin-ished by the number of young men wanting immediate security. He em-phasized that managers should have a broad perspective of the student's attitude and viewpoints.

Mr. LaBoskey stressed that all stu-dents have "professional" goals, and information for recruiting should emphasize the professional relationship between the life agent and his clients For Free Health Plan

Rhodes Discusses Testing

Mr. Rhodes, discussing testing and other media in recruiting and selecting college graduates, said, "Tests do not select, they eliminate." He said selecsearch, they eliminate. He said selec-tion should be based upon the in-dividual's mental alertness, his gre-garious personality, personal data and his interest in the field.

Mrs. Watt, summarizing the panel's discussion, made the following sug-gestions to managers recruiting among college graduates: Consider subsidizing scholarships; work with the placement officers for part-time work for stu-dents; work with colleges as a civic project; be vigilant and alert to publicity in college journals; be timely; consider endowment trusts to colleges.

\$419 Million In Ordinary Life Business Sold During **Equitable Sales Campaign**

Equitable Society's sales force wrote more than \$419 million of ordinary life business during its annual fall sales campaign, a 10% increase over last year's drive.

The Holderman agency, Peoria, led the field with 213 agents securing 2,897 applications for \$22,045,000 in volume. Writing over \$10 million each were the Hemphill agency, San Francisco, and the Ferebee agency, Richmond. Other leading agencies, each aver-

other leading agencies, each averaging over 10 applications per agent, included Mooney, Albany; Bryant, St. Louis; Dolan, Minneapolis; Simpson, St. Louis; Wild, Honolulu; Bowman, Utica, N.Y.; Prescott, Washington, D.C., and Dickman, San Diego.

Tied for individual honors, each with

1581/2 applications for the month, were two members of the Mooney agency, Joseph H. Miller of Albany and B. Thomas Cappadona, Poughkeepsie.

Ordinary Business In Mass. Mutual Campaian Totals \$249,924,664

Massachusetts Mutual's field force, for the 13th consecutive year, broke its production record in the annual "Quota Buster" sales campaign by writing \$249,924,664 of new ordinary business, an increase over the 1959 drive of more than \$12.5 million, and representing 125% of the \$200 million goal.

Seven producers submitted over \$1 million of new business, while 51 wrote over \$450,000.

In the five-week campaign, which is sponsored by Massachusetts Mutual General Agents Assn., 110 general agencies are divided into four groups according to population size.

Leading agencies in the four divi-Leading agencies in the four divisions are, group 1, Miller, Philadelphia, 202.4%; Lizette, Newark, 188.9% and Copeland, New York, 175.2%. In group 2 leaders are Robbins, Bridgeport, 230.7%; Reader, Lawrence, Mass., 217.8%, and Burrows, Providence, R. I., 205.8%. In group 3 it is Sample, El Paso, 225%; Johnson, Fargo, 213.2%, and Anthony, Louisville, 211.4%. Group 4 leaders are Bilbrey Jr., Oakland, 273.9%; Phillips, Fresno, 245.6%, and Schwandt, Sioux City, 204.2%.

Individual leaders and their production were Jacques S. Zinman, Philadelphia, \$2 million; Stanley Martin, Chicago, \$1,875,000, and Daniel Auslander, New York, \$1,756,100.

Ore. State Employes Ask

ROSEBURG, ORE.—Oregon State and the life agent's contribution to ROSEBURG, ORE.—Oregon State society, rather than emphasize material Employes Assn., at its annual convention here, has called for the state to provide and pay for a medical-hospital plan for state workers.

The organization also took action on a number of resolutions calling for improvement in retirement programs.



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Originator of

- · First life insurance policy with a disability provision.
- · First life insurance policy providing an "income for life" to the insured.
- First life insurance policy issued with double death benefit.

and, as Fidelity enters its 83rd year of progress and growth - its services and products today are as modern as tomorrow

> SERVING 150,000 POLICYHOLDERS \$370,000,000 Insurance in Force Over . \$1,300,000,000

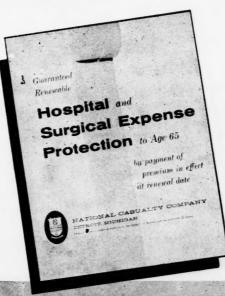


The FIDELITY MUTUAL LIFE Insurance Company

SELLING FOR KEEPS? SURE YOU ARE!

That's the reason you require the best material available to make sales fast -with ease. National Casualty's sales aids fill the bill. National's representatives use the most modern methods in offering the finest in Disability Income, Hospital and Surgical coverages for the Individual, Family, Franchise or True Group case.

Guaranteed Renewable Policies Available!



Establish and build your own Direct Agency - highly attractive agency appointments in select territories now available. Write today for full particulars - Address: Accident & Health Div., National Casualty Company, Detroit 26, Michigan.

> REMEMBER-IT'S EASIEST TO SELL THE BEST!

NATIONAL CASUALTY COMPANY

DETROIT 26, MICHIGAN

Pension Rights Shown To Need Protection

(CONTINUED FROM PAGE 2)

service liability. This information should be available to employes while they are still young enough to change

"Many plans have been founded since World War II and have not 'caught up' with the payments due for the pensions of employes who, when the plan was established, were too old for their pensions to become adequately · funded by current-service contribu-

tions. The report of actuarial sufficiency should be certified by a qualified actuary, whose fitness should be determined by the administrator of the law: here some further administrative provisions would have to be worked

Examining Power Needed

"A federal official agency, or state

assets, and other affairs of any funded pension plan (subject to the jurisdiction of that agency), for the purpose of determining whether or not the plan is being financed and otherwise conducted in accordance with the annual statement filed on behalf of the plan as to both current-service and

"Such an examination would include the employment records but need not duplicate a recent examination of assets and liabilities by a state insur-ance department or by any federal or official agencies, should be empow- ance department or by any federal or ered to examine the books, records, state bank examiners. The purpose of

granting such a power would be to strengthen the enforcement of disclosure laws by seeking verification of the sworn statements made by some plans.

"The internal revenue code of 1954 and all federal or state regulatory laws applicable to pension plans should permit an over-funding, by the emloyer, in an amount not greater than 10% of its total liability, for both current- and past-service cost at the close of any calendar (or fiscal or tax) year.

"Such a provision would give the employer greater flexibility with respect to the making of his contributions and would, on the whole, improve the security of pension expectations. It would eliminate one of the reasons sometimes given for vague employercontribution clauses.

"The civil remedy found in some state disclosure laws whereby an in-surance official or other state supervisory official may, in his discretion, sue or intervene in a suit, to enforce the provisions of pension plans for the protection of their beneficiaries (covered employes or pensioners), should be enacted in all states.

Would Limit Intervention

"Such intervention should be limited to situations where the issues of law or of fact involved in the particular litigation are such as to affect materially the interests of other beneficiaries.

"The state statutes defining the scope of regulation of the insurance business and prescribing regulations for 'annuity contracts' should define the latter term and prescribe that only life insurance or annuity companies, organized and supervised pursuant to the insurance law, should be permitted to make 'annuity' contracts as a vo-

Associated with Prof. Patterson in the study were E. Sidney Willis, General Electric Co.; Edward P. Fischer, Socony-Mobil Oil Co.; William K. White, Aetna Life; Leonard Lesser, AFL-CIO; Joseph L. Seligman Jr., San Francisco attorney; Edwin Mc-Innis, Bank of America, Los Angeles, and Samuel N. Ain, consulting attorney in New York City.

A complete report on the study is

being published by the Pension Research Council of the Wharton School.

Life Industry Fund Awards For Heart Disease Study Total \$1,085,410 In 1960

Awards of \$1,085,410 were made for heart disease research in the past year by Life Insurance Medical Research Fund, according to its annual report. The 1960 figure brings the total contributions to more than \$12.5 million since the fund's establishment in 1945.

Dr. Francis R. Dieuaide, scientific director of the fund, reported that 120 research programs had been aided by awards this year, including 19 research fellowships, and support of scientific investigations at 86 hospitals, medical colleges and other research institutions in the United States, Canada and Europe.

In selecting programs, emphasis was given to basic research. Grants were also awarded to investigators who are seeking to improve methods of diagnosis and treatment of heart disease.

Single Day's Sales Set Record
Sales of \$5.1 million set a record for a single day's production for Old Line Life of Milwaukee. The production was in honor of Executive Vice-president Forrest D. Guynn's birthday and surpassed the previous one-day record by \$3.75 million.

The Manhattan Life's Adjustable Whole Life Policy

Gives the Policyholder F. F. O. A. Future Freedom Of Action

In this fast-changing world isn't it harder than ever for a policyowner to tell what his most important future insurance need will be? Why ask him to predict or guess his future needs?

The Manhattan Life's Adjustable Whole Life

Policy has built-in guaranteed future flexibility. It's the modern policy to meet modern conditions.

Add a Manhattan Life Rider to this outstanding plan and the flexibility increases, along with the low cost protection.

At the start, there's a reduced premium for the first two policy years . . . just one of many appealing features. Then, when the premium increases slightly, dividends, as declared, may be used, if desired, to

reduce the premium, so that chances are the net premium (premium minus dividend) will remain appealingly low.

Limited Payment Life Option

After the policy has been in force five years, the policyowner may decide he'd like to have a Limited Payment Policy, which after a certain number of years will be paid-up with no more premium payments. He may have just that by paying a little more premium. He has five years in which to decide.

Retirement Income Option

When he is 55 or more years old, and the policy

has been in force at least ten years, he may, if he wishes, surrender the policy and receive a monthly

At the same time, he may, if he wishes, arrange to provide

Additional Life Income

Suppose he'd like more monthly life income than provided by surrendering the policy. He may have it by paying The Manhattan Life in one sum an amount to increase the monthly life income to \$10 per \$1,000 of insurance on the Insured's life alone or \$7.50 per \$1,000 of insurance on the Insured's and one other life, with monthly income continuing to the last survivor - an ideal arrangement for husband and wife!

It's Participating

Dividends, as declared, may be used to reduce the premium, left to accumulate at interest, to purchase additional paid-up insurance, or paid in cash.

Ask The Man From Manhattan About These Features . . .

Lower rates for females. • Wide choice of Settlement Options, not just one or two. • Depending upon amount of policy and age of applicant, policy may be issued on non-medical basis, that is without a medical examination. Ask for complete information. • Women are eligible for Waiver of Premium Benefit on same basis as men.

Sub-Standard Issues Considered to 1,000% Mortality whether the Applicant Our 2nd Century

Waiver of Premium is included without specific extra charge in all standard policy issues.

THE MANHATTAN LIFE INSURANCE COMPANY of NEW YORK.

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Industry Needs To Give More Heed To Nation's Objectives: Thore

(CONTINUED FROM PAGE 1)

grown out of this country's struggle with the communist world. More and more it appears that action in the domestic field will involve these international considerations."

This basic readjustment of interests and objectives, Mr. Thore said, will require careful planning by the insurance business, better communications, a fuller understanding of national problems and goals, intensified interest in national affairs, increased research and a unity of viewpoint within the business itself.

about a shift in the incoming administration's legislative concepts, Mr. Thore said. The need for mapping a new economic frontier through greater use of government power is presently being reevaluated and it now appears that such a development will be less extensive and the pace more leisurely. Citing the entrenchment of the position of conservative members of Congress, particularly Southern Democrats, Mr. Thore said it is apparent that the

on a conservative Democratic and Republican coalition and will concentrate sary. A number of the Senators who on persuasion in getting domestic bills

"On the basis of this type of reap-praisal we may not see extensive legis-lative innovations during 1961," he said. "This does not rule out, however, the reconsideration of old legislative business such as the four programs frequently mentioned in the campaign
—minimum wages, aid to education,
relief for depressed areas and medical care for the aged. Except for such Circumstances probably have brought items as these and housing legislation, 1961 may well be a year devoted to reorganizing the executive branch and strengthening the president's position with Congress.

Great Difficulty Experienced

Among the four frequently discussed on medical care for the aged indicates that during the last session "we ex-perienced great difficulty in convinc-

administration will avoid open attack ing the Senate that an additional fedparticipated in the debate on this subect seemed to take it for granted that the Mills-Kerr (state aid) program was not enough. The disagreement among them arose mainly with respect to the method to be adopted. Thus the method Mr. Nixon supported was defeated 67 to 28. The social security approach Mr. Kennedy advocated was defeated 51 to 44. In evaluating this latter vote record, it should be borne in mind that the action transpired under the threat of a presidential veto, which will not be the situation next year.

"In the House a vote was not taken on a compulsory medical care plan. The ways and means committee, how-ever, gave protracted consideration to the Forand bill and rejected it. There were hopeful indications that the House domestic measures, he said, careful rules committee would not have examination of the legislative record granted a rule on this type of legislation had ways and means voted it out. Under the circumstances, we do not know how the House would vote on a

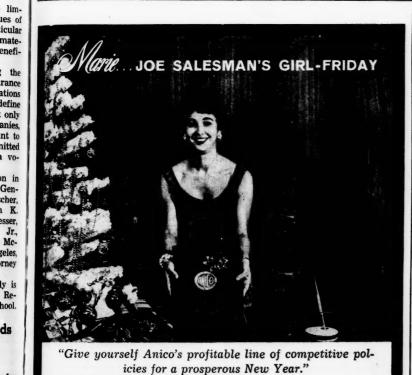
Forand-type bill. It is apparent that the administration will face real hur-dles in advancing its proposals in either body, and particularly in the house.

"I believe we can conclude that the political situation with respect to the medical care issue is too fluid to offer a basis for either optimism or pessimism. In a controversial question of this kind no one can predict results with certainty until the votes are counted.

Tendency To Over-Liberalization

Regarding the old age and survivor section of the social security act, Mr. Thore said there will be a tendency toward over-liberalization of benefits, "but I doubt whether extreme action will be proposed. The new administration's announced policy gives no indication that the role of social security in providing a basic floor of protec-tion should be drastically changed."

He observed that social security tax rates have reached such high levels that proposals for further tax increases are politically unpopular. "This situation was reflected in congressional action this year, when Congress refused





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DIHL H. LUCUS-Vice-President and Director of Agencies



for the first time in any election year since 1950 to raise benefit levels," he

Turning to the housing field, Mr. Thore said that campaign statements, the current rate of housing starts, unemployment, and pronouncements by congressional leaders make early activity in housing a certainty.

"This is one area in which innovations will be pushed and more direct government participation will be advocated," he said. "There will be the usual proposals for liberalizing and supporting existing federal programs

mortgage bank facility, a middle-income housing program, the sale of debentures to finance veterans' housing, etc. There will be a sharpening of the conflict between sound economic goals and social objectives.

"In the field of federal taxation we will see a shift in emphasis," he said. "There will be less attention to life insurance company income taxation. problems in this area will be mainly regulatory. Amendments to clarify or perfect the new company tax law will be advanced from time to

as well as new proposals for a central time as experience is gained. Broad legislative action regarding corporate taxation will focus, however, on other

types of institutions.

"Nevertheless, as general revisions of the personal income and estate tax sections of the tax code get under way, will see pressure develop for less favorable treatment of personal insurance. The Keogh-Smathers selfemployed retirement bill may eventube passed, but with substantial variations from its current form. The tax treatment of corporate pensions will be reexamined. The withholding

of income taxes by companies on interest payments to their policyholders and beneficiaries will be urged. In general, as the demands for more and more revenue intensify, so will the efforts to plug loopholes, to cut down on various tax exemptions and to limit the deferment of taxable income.

"What federal action may we expect in the field of regulation? To me it seems reasonable to anticipate that our problems in this area will increase. The chairman of the Senate subcommittee on anti-trust and monopoly has stated although thus far only informally, that the insurance study will be continued next year. An investigation of health insurance has been mentioned.

Investments Are Important

"Ours is a business affected with a public interest. Our product intimately touches the lives of almost all of our nation's 182 million people. Our investments are of fundamental import. ance to the national economy. These and other factors suggest an increasing interest in the regulatory aspects of our business on the part of the national government, perhaps not so much in connection with our dealings with our policyholders as with our investments and their relation to the national econ-

Mr. Thore said that as in the past the primary job of the insurance business under present circumstances will be to protect the rights of policyholders, "but more and more we will be called upon to balance this objective with the national interest.

In meeting the challenges of this modern world, our nation must conserve its energies and resources. It cannot afford to expend its substance on programs to provide services which can be made available through private initiative. More and more the personal insurance business will be to demonstrate the role which it can play in solving the problems of our society.

\$4,577,000 Polio Benefits Paid By A&S Companies In First Nine Months Of 1960

Polio victims have received \$4,577,-000 in benefits from insurance companies in the first nine months of 1960 under provisions of special polio ex-pense policies, according to Health Insurance Institute.

The institute said polio benefit payments by insurance companies were down 6% from last year but that the incidence of polio was sharply down from 1959.

Public Health Service figures show that there were 2,303 reported case of polio in the United States in the first nine months of 1960, a decrease of 64%.

The fact that benefits did not decline as rapidly as the incidence rate illustrates the cost of the long-term recuperation and treatment involved in the illness. The institute pointed out that the polio benefit figures were limited to payments made under polio expense policies and did not include the benefits to polio victims under other types of health insurance pol-

Nw Mutual Holds GA Clinic

Twenty Northwestern Mutual Life general agents from 14 states participated in an annual agency building clinic at the home office. The oneweek clinic was designed to help the general agents develop the most favorable opportunities for their sales staffs in line with current business trends.

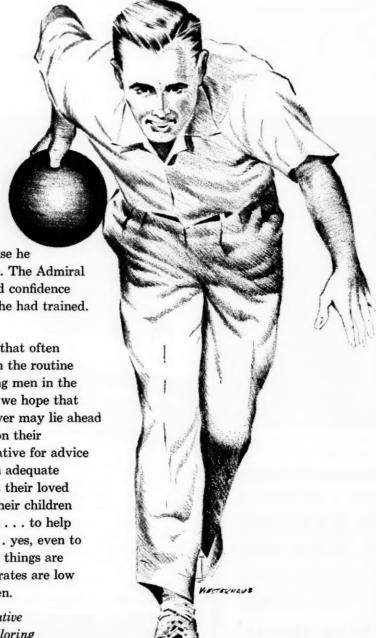
You're confident when you're well equipped...

You're confident when you're well insured ...

Sir Francis Drake once delayed sailing to meet the enemy, because he wanted to finish a game of bowls. The Admiral had planned his strategy-he had confidence in his sturdy ships and the men he had trained. In a word, he was ready.

That word "ready" is the magic that often turns the tide of victory—even in the routine of everyday life. Millions of young men in the world today enjoy bowling—and we hope that they, too, are "ready" for whatever may lie ahead Fortunate are those who rely upon their friendly Pan-American representative for advice and counsel in the planning of an adequate insurance program . . . to protect their loved ones . . . to assure education of their children ... to insure mortgage payments ... to help pay for accidents and sickness . . . yes, even to provide retirement income. These things are "right down your alley" because rates are low and advantageous for younger men.

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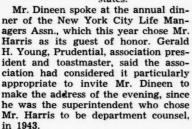
HARRY S.

DINEEN AT DINNER HONORING HARRIS:

Good People Administering Laws More Vital Than Good Legislation

NEW YORK-The kind of wise and devoted service rendered by Raymond

Harris, who recently retired as New York department counsel and deputy superintendent, was cited by Vice-president Robert E. Dineen of Northwestern Mutual Life as a big factor in staving off federal regulation and leaving





Mentioning the congressional investigation of the insurance business, Mr. Dineen said there seems to be a feeling that while state regulation could be improved, Congress is content to let the states continue regulating the

"I don't think we need to worry about the Kennedy administration," he said. "Jack will be so busy trying to keep the promises he has already made that it seems unlikely that he will have time to address himself to new fields. So, if the states are to continue in this task, our more imme-

is good pay, for without it, competent people won't enter the state service or stay if they do. New York has been a leader in this area. We must continue to let our legislators know that our business wants those who regulate us to be fairly and adequately com-

Mr. Dineen said there is also another way in which the business can help, and one in which the managers' association has already been helping. That is to honor public servants for their work when they have earned

"One of the things I enjoyed during

Guests included many insurance department people and home office ex-

ecutives who were in New York for the company association meetings the ensuing three days.

Beside Mr. Dineen, Superintendent Thacher spoke briefly, praising Mr. to 3316 Farnam Street, Omaha 1, Neb.

Harris' devoted service to the department, in which he started as an actuarial clerk in 1914.

Mr. Young presented an inscribed silver tray to the guest of honor on behalf of the managers association. In his response, Mr. Harris discussed the principles and practices underlying fair and effective supervision. His talk will be reported in next week's issue.

International Claim Assn. has moved



the job to the states.

diate responsibility is to assist the states in every way that we can.

"Good insurance laws are important -and our business has made a good name for itself in supporting sound legislation. We may look bad occasionally, but by and large our record is good. But when you stop to think of it, good people administering the laws are even more important than good legislation.

"Here the most important requisite pensated, and that legislation designed to achieve this objective will always command our support."

and deserve such honor.

my own tour of duty was the feeling of mutual respect between the people in the business and the people in the insurance department. We foster that respect by occasions of this kind So I salute your association for its wisdom and vision in honoring our guest of honor-and I salute him for deserving



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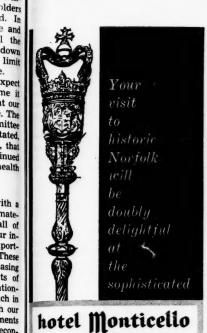
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Institute Chairman Stresses Need For Keeping Adaptable

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quickening, as even the most casual glance at the newspapers or the most fleeting reference to our own mem-ories will illustrate."

Another paradox, he said, is that the most promising aspects of the social and economic changes that are going on also contain the seeds of some of the hardest problems, for example, the problem of big government.

"It seems to me we find ourselves today between two powerful forces,' said Mr. Myers. "On the one hand, there is the advent of a new technology which, while it has enormously enriched the mass of the people, seems also to increase centralized control at the expense of individual responsibility. On the other hand, we have our cherished democratic traditions of individual freedom and enterprise to

which centralized control could constitute a threat. I believe, therefore, that the essential challenge before us today -as citizens, as business men and as life insurance people—is to reconcile and balance these forces and bring them into harmony."

The life insurance business, commented, is greatly affected by this conflict and has a tremendous stake in its resolution. The business must ask itself, he said, To what extent is the business of providing life insurance government business and to what extent private business? Should the business, for example, do more to point out the essential differences between social security and life insurance? Should it try to make more evident to the public that government insurance must be mass-oriented and hence necessarily neglects the specific needs of the individual?

Poses Series Of Questions

"And what about the lines of communication between the life insurance business and the general public?" Mr. Myers asked. "Do we know what image the average citizen has of life insurance? Could we count on informed popular support in a time of needif, for example, Congress extends its investigations to our field?"

These considerations, said Mr. Myers, open up a whole new area of questions that life insurance people

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tivities and interests of our busines of today."

Other events of the meeting will reported in next week's issue.

Chicago Insurer Changes Name

Central Standard Indemnity of Ch cago has changed its name to Select tive Life. The company, which sor time ago disposed of its casualty business, is being reactivated as a life in

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Our staff is aware of this announcement. All replies will be held in strict confidence. Please send a detailed resume of your experience and qualifications to Box V-31, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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We have it in California, for aggressive young man capable of assuming full charge of agency department of small but progressive company. A challenge with unlimited opportunity for the right man. Salary plus. Write Box V-13, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. (Our employees know of this ad.)

CREDIT LIFE SPECIALIST wants General Agency to represent Company in States of Indiana, Illinois and Kentucky writing Group Credit Life, Accident and Health and Individual Credit Life, Accident and Health. Only top commissions considered. Will obtain new accounts and service present accounts. Apply Box V-29, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

might ask themselves. For example 'Is our own house in reasonably good order? Are we concentrating our bes efforts on serving the insurance needs of the public, or do we tend to let ourselves be sidetracked? Do we tend to get sidetracked into thinking more about volume than service? Do we get sidetracked on a search for novel form of coverage regardless of need? Doe this result at times in unnecessar and wasteful replacement of older policies? Does this search for novelty for

its own sake detract, moreover, from

our efforts to sell existing and proven

forms of coverage? Is our lapse rate

too high, and if so, what are the rea-

Neglecting Mass Market

"Again in terms of service, we might ask ourselves, How effectively are we covering the mass market? Are we concentrating our efforts too heavily on big policies and letting the smaller ones go by default? If we are doing that, are we not in that way creating a protection vacuum, especially in the lower strata of the great new middleclass I have mentioned? And in that event, where will the small policy buyer turn for his insurance protection?

"Do we tend to go off on a tangent in terms of competition with other socalled forms of protection, thrift and investment? How real is much of this competition? Or is the reality, rather, that life insurance is indeed unique and irreplaceable? In trying to com pete with other forms of thrift and investment, which may be inevitable in any case, are we not being too defensive, neglecting our real function? Are we not, for example, neglecting to stress the importance of cash values Do we not tend in this way to spend our energies in an irrelevant and wasteful effort to be all things to all men? Is there an essential difference between adapting to change, on one hand, and chasing every will-o'-thewisp, on the other?

"Still another area we might question is that of marketing practices. Is the agent still the indispensable salesman of life insurance? If so, what are we doing to help him? How are w helping him to enhance his public image? How effective is communication between agents and management?

"How well are we preparing for th future management of our business? What is the image of life insurance on the nation's campuses? Do the bright young men and women whom we wish to attract among the generation in training-do they assume that life insurance is flat, stale and unprofitable or vigorous, growing and forward looking?

"I have offered a number of ques tions touching on a wide range of ac I'm sure you could add other relevant areas and questions. But I am no trying to be exhaustive. All I wish to suggest is the urgent necessity to review and reappraise, individually and collectively, every aspect of our business-its operations, relations and be sic philosophy in the changing light

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our best 60 Ordinary, Total Sales Hit New Highs

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strial \$40 billion, about the same as string about 5% of the total insurance in orce, amounts to some \$30 billion, up bout 12%. Ten years ago credit ingrance was only 1.7% of the total in

verage Policy Up

The average ordinary policy is \$3,-30, up \$140. The average group cer-ficate has risen to \$4,070, up \$200, while the average industrial policy has isen to \$405, up \$15. The average redit life policy is \$690, up \$10.

Payments to policyholders and benegiaries in the United States is at a new high of \$10.6 billion for 1960. Death benefits are about \$3,350,000,-00, or 31.6% of life companies' total nyments. Payments to policyholders hemselves are about \$4,695,000,000, a 44.2% of the total. The remainder onsists of \$2,573,000,000 paid by life mpanies on health insurance con-

Mr. Davis expressed concern over the implications of the outflow of gold and the deficit in the balance of pay-

"In the battle over 'how' we solve the fiscal problem, our greatest congren, it seems to me, is that it will not get solved at all," he said. "In that went there is only one course leftevaluation of the dollar, and that will mly compound our fiscal difficulties and strike a deadly blow to our prestige abroad.

"It is not easy for us Americans to admit we can't do everything we want ecause the money is giving out. But hat is the only honorable course to follow. My hope is that the life insur-ance industry will for once speak in me voice-against devaluation and for the preservation of the soundness of the

O'Leary Reports On Finances

James J. O'Leary, LIA director of conomic research, reported that total assets at the year-end will amount to \$119,450,000,000, a new high, and an increase of \$5.8 billion. He estimated not investment earnings of U.S. life ompanies at \$4.6 billion, up \$390 million. The net rate of investment amings before federal income taxes will work out to about 4.12%, as

Top user of life company funds in 1960 has been the mortgage market. Mortgage holdings are estimated to have increased more than \$21/2 billion, the largest net increase in mortgage loans since 1956, when they went up by \$31/2 billion.

Corporate bonds account for almost \$1.8 billion of the net rise in assets, with industrial and miscellaneous contributing \$1.5 billion and public utility bonds \$295 million. This is the smallest net investment increase in industrial and miscellaneous bonds since 1955 and the smallest in public utility bonds in the last 15 years.

r busi-Mr. O'Leary said there will probaband bay be a further moderate softening of g light general business activity through next pring before a new rise in economic ctivity gets under way. The recovery will probably be sparked by a mod-rately rising rate of housing starts n response to more readily available nortgage credit; by federal "built-in stabilizers" (such as rising unemh some ty busi-life inployment benefits and the automatic bendency of the federal government b spend more than its revenues as

well sustained consumer spending and by some rebuilding of business inventories.

"At the moment," he said, "it is difficult to foresee any factors that will give general business activity a strong upward push in the second half of next year. The recovery seems likely to be gradual and of modest pro-portions."

As for long-term interest trends in 1961, Mr. O'Leary said the outlook suggests that through the spring the demand for long-term capital funds may recede a little and that interest rates may tend to move down a little from their present levels, especially rates on federal, state and local bonds, and those on publicly owned corporate bonds as well. However, this downward pressure on rates should not be strong.

"By the end of the spring of 1961, assuming that a general business recovery gets under way, interest rates should begin to edge upward again, depending upon the vigor in the recovery and the extent to which mo-mentary ease is reversed," Mr. mentary ease is reversed," Mr. O'Leary said. "The conditions that seem to be ahead of us in the capital markets suggest, therefore, that interest rates will decline moderately into the spring of 1961 and during the second half of the year turn up gradually to recover the ground lost during the downturn."

Capital Demands To Be Strong

Opining that total capital demands during the '60s will continue to press against available supplies and that interest rates will generally tend to be firm at levels reached in late 1959, Mr. O'Leary said he based this view on these factors:

1. The probability of further rises in federal expenditures for military preparedness and foreign economic

2. A significant step-up in the rate of household formation, which should increase the volume of consumer expenditures and home building.

3. Continued substantial rise of outlays by state and local governments, an area where there is still a large backlog of demand.

4. With these three forces at play. the rate of business and industrial plant and equipment expenditures should continue to move upward during the decade.

5. The level of consumer expenditures will undoubtedly continue to rise in the '60s, but will not be fortified by the great backlog of wants and desires that characterized most of the '50s. Markets should become much more competitive as consumers be-come more selective. The decade will probably be one of "hard sell."

Taking into account the five forces outlined above, during the '60s our national economy is likely to grow at as fast a rate as in the '50s and in the process to require enormous amounts of capital funds," said Mr. O'Leary. "This does not mean that the growth rate will be uniform each year, because fluctuations in general business activity and in capital expansion are inherent in a dynamic free market such as ours.

"However, despite fluctuations in general business activity and in interest rates, on the average in the '60s the great demands for capital funds will press against the supply of funds from savings sources and from the increase in the money supply pergeneral business activity recedes); by mitted to accommodate substantial

growth without inflation. Consequent- N. Y. Bans Special ly, in the '60s long-term interest rates eem likely to remain at the levels reached in 1959.

"As we move into the '60s, it bedomestic policy measures of the federal government will have to be examined carefully with respect to the consequences that they may have on the international balance of payments position of the United States. This is specially true of policies in the credit field. As a result of persistent deficits in our international balance of payments, foreigners and foreign central banks have built up large liquid assets in this country.

Monetary Authorities Hobbled

"The threat of having these assets liquidated and the funds moved out of the United States to take advantage of higher interest rates elsewhere, or because of reduced confidence in the value of the dollar, with a resultant drain in our gold reserves, imposes limits on the freedom of the monetary authorities to control the availability of credit and thus to influence interest rates. Thus, in coming years it seems certain that, even more than in the past, federal policy measures in the credit and capital funds areas will be subject to the discipline of market demand and supply forces."

Following the business session, Eugene M. Thore, vice-president and general counsel of LIA, spoke on "Personal Insurance and the New Frontier." The luncheon speaker was Thomas J. Watson Jr., president of International Business Machines Corp.

In the afternoon there was a symposium on competition for manpower.

The second day opened with a talk on "Keys to Security of Pension Expectations," by Dan McGill, who is reported in next week's issue.

'New Money' Status

supplied, it appears that the comes more and more evident that money' method is not one within the domestic policy measures of the fed-scope of Regulation 33 and has not heretofore been approved by the department in accordance with section 226 of the insurance law.

"Apportionment of net investment income to experience fund accounts for individual group annuity con-tract-holders and its ultimate use in the determination of dividends or experience-rating refunds to such contract-holders on the basis of the 'new money' method has not been shown to be compatible with section 209(1)

"Accordingly, all insurers which heretofore have adopted the 'new money' method for allocation of investment income in 1960 to lines of business or within a line of business are requested to notify this depart-ment promptly (attention of first deputy superintendent Samuel Cantor) as to action taken or contemplated to revise their practices to bring them into conformity with practice compatible with Regulation 33 and sections 209 and 226.

"It is expected that a further conference on this matter will be called in the spring of 1961."

Frederick H. Ecker professor of insurance at the Wharton School of University of Pennsylvania, followed by a discussion of current problems.

The meeting adjourned following the luncheon address on "Why Must We Conquer Space?" by Wernher von Braun, director of the development operations division of the army ballis-

tic missile agency.
Other events of the meeting will be



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Editorial Comment

Mitigation Of The Manpower Squeeze?

is about the sources of life insurance sales recruits, when men in the 25-44 age group will be in the shortest supply, we'd like to report evidence of a mitigating circumstance that we just heard about: It seems that the real salesmen in some other major lines of merchandising are getting squeezed out of the picture because transactions have become so large-scale that there is no longer any chance for a salesman to influence the sale by what he says or does. For example, the purchasing agent to whom he talks may have nothing to say about the choice of product, because the decision is the result of consideration by a buying committee.

This situation is described in a fascinating brochure by E. B. Weiss, director of merchandising of a New York City advertising agency, Doyle, Dane, Bernbach Inc. Mr. Weiss's study indicates that in the decade now under way there will just not be any place for the creative, persuasive, able salesman in many lines of work where he has been accustomed to make big money. Good salesmen sell not merely because they can make a lot of money at it but because it is a way of life that they enjoy and feel useful and self-respectful in. Selling an intangible like life insurance may present problems that some of these good salesmen from other lines are not capable of coping with, but basically a good salesmar, is a good salesman, and many of the best life insurance salesmen have come from star roles in completely different fields of selling.

While the manufacturer's representative who calls on the trade-wholesale or retail-continues to be called a salesman his functions may bear only a remote resemblance to creative selling, says Mr. Weiss. For some the job is little more than that of "trade attendant.'

"Our giant retailers are all turning to a committee system of buying," Mr. Weiss comments. "The individual buyer, in giant retailing, has been shorn of much of his original authority-and this process continues. Manufacturers'

With all the justifiable concern there salesmen rarely can get into a buying committee meeting-and surely the printed form that the salesman fills out under these circumstances hardly comes under the role of selling."

As in all committees, Mr. Weiss observes, the executive who sits at the head of the table tends either to make or strongly influence the ultimate buying decisions. He may be a management executive or a top level executive, but Mr. Weiss's point is that this executive seldom is contacted by the manufacturer's salesman either before, during or after the buying committee meeting.

Mr. Weiss also points out that "a mounting percentage of what could really be called 'selling' to giant retailers is done these days by meetings between executives-an executive of the supplier and an executive of the giant retailer (or giant wholesaler)."

As for the men called "salesmen," they still have an important role, but as Mr. Weiss emphasizes, "It is not a selling role as selling is traditionally defined."

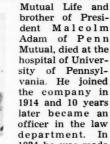
It seems to us that Mr. Weiss's study could be valuable to the life insurance business in two ways. First, as a bit of silver lining in the dark cloud of looming manpower shortages-though it should not be taken as an excuse to take it easy. Second, his findings could help persuade able salesmen in other lines, and men of potential, who are pointing for sales jobs in such lines, that maybe the future is not so bright there and they'd better take a good look at a kind of selling where the man who can really sell is virtually guaranteed that his monetary return -and probably his sense of satisfaction as well-will be in direct ratio to his sales ability and industry.-R.B.M.

Personals

John Burkhart, president of College Life, has been elected president of Indianapolis Chamber of Commerce. Walter H. Huehl, president of Indianapolis Life, is the new vice-president of the chamber.

Deaths

HERBERT ADAM, 60, senior vicepresident-administration of Penn-



the company in 1914 and 10 years later became an officer in the law department. In 1934 he was made assistant vicepresident in charge of claims and in 1939 was placed in charge of the mortgage loan department. He was a past president of Philadelphia Mortgage Bankers Assn. and was a member of the industrial development committee

committee of Lankenau Hospital. He was also a director of the Land Title Bank & Trust Co. and the Philadelphia Housing Assn. WILLIAM J. WEISSBACH, 58, gen-

of the Philadelphia Chamber of Com-

merce and chairman of the property

eral agent for Ohio State Life at Youngstown, died of a heart attack.

Judge BEN H. POWELL, 79, honorary chairman of Austin Life, died at Austin, Tex. He was chairman of the company until last March, but he continued as a director, a position he held since he helped found the company in 1946. Judge Powell entered law 57 years ago and served as a district judge and on the commission of appeals of the Texas supreme court. He was also a past president of the Texas State Bar.

MEYER M. GOLDSTEIN, 62, executive director of Pension Planning Co., New York, and consultant on employe benefit plans, died in the lobby of the Hotel Astor while on his way to the foreign service pension seminar of American Management Assn., of which he was co-chairman. While at the same time serving as head of Pension Planning Co., Mr. Goldstein was general agent of Northwestern Mutual, then of Connecticut Mutual, and finally, until 1950, was manager of Equitable Society. He was a CLU and life member of Million Dollar Round Table.

Aid Assn. for Lutherans reports an increased dividend scale for 1961 and interest on dividends on deposit will be 4%, up from 3.75%.

Stocks

By H. W. Cornelius of Bacon, Whippie & Q.
135 S. La Salle St., Chicago, Dec. 13, 138
Bid Au

	8	
Aetna Life	8844	
American General	301/	
Beneficial Standard	1514	
Business Men's Assurance	3914	
CalWestern States	48	
Commonwealth Life	1914	
Connecticut General	397	
Continental Assurance	163	
Franklin Life	70	
Great Southern Life	68	
Gulf Life	17	
Jefferson Standard	4014	
Liberty National Life	371/2	
Life & Casualty	151/2	
Life of Virginia	53	
Lincoln National Life	249	
National L. & A.	108	1
North American, Ill.	141/4	•
Ohio State Life	36%	
Old Line Life	60	
Old Republic Life	1716	
Republic National Life	34	
Southland Life	80	
Southwestern Life	49	
Pravelers	871/2	
United, Ill.		
U. S. Life	331/2	
Washington National	42	
Wisconsin National Life	43	
resconsin reactional Life	271/2	ı

Conventions

Dec. 28-30, American Assn. of University Teachers of Insurance, annual, St. Louis

1961

Jan. 9. International Federation of Commerc Travelers Insurance Organizations, midya Edgewater Beach Hotel, Chicago.

Feb. 13-15, Health Insurance Assn., group issurance forum, Biltmore Hotel, New York

eb. 17-18, New York State General Agents Managers Assn., annual, Gideon Putnam E tel, Saratoga.

March 23-24, Society of Actuaries, regions Commodore Hotel, New York City. April 6-7, Society of Actuaries, regional, Stat-ler Hilton Hotel, Dallas.

April 13-15, Life Insurers Conference, annual Americana Hotel, Bal Harbour, Fla. April 13-15, Home Office Life Underwriten
Assn., annual, The Greenbrier, White Sulphur
Springs, W. Va.

May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.

Hay 12, New York State Life Underwriters Assn., spring delegate meeting, Astor Hold, New York City.

May 14-17, Insurance Accounting & Statistics Assn., annual, Biltmore Hotel, Los Angeles May 31, Fraternal Actuarial Assn., midy. Royal York Hotel, Toronto, Ont., Canada June 1-2, Society of Actuaries, regional, Royal York Hotel, Toronto.

June 4-9, National Assn. of Insurance Com-missioners, annual, Bellevue Stratford Hotal Philadelphia.

June 7. Actuarial Club of the Pacific States annual, Ambassador Hotel, Los Angeles. June 8-9, Society of Actuaries, regional, Ambassador Hotel, Los Angeles.

June 12-14, International Assn. of A&H Underwriters, annual, Waldorf Astoria Hotel, New York City. June 24-29, Million Dollar Round Table, and Americana Hotel, Miami Beach.

Americana Hotel, Miami Beach.

July 27-29. National Assn. of Life Companies.

annual, Sheraton-Charles Hotel, New Orleans

Aug. 21-23, International Federation of Com-mercial Travelers Insurance Organizations annual, La Fonda Hotel, Santa Fe.

Aug. 28-Sept. 1, National Insurance Assi-annual, Sheraton-Park Hotel, Washington,

Sept. 17-20, International Claim Assn., annua The Greenbrier, White Sulphur Spring W. Va.

w. va. Sept. 20-22, Life Insurance Advertisers Amanual, Sheraton-Dallas Hotel, Dallas. Sept. 24-29, National Assn. of Life Underwriters, annual, Denver Hilton Hotel, Deswriters, Denver Hilton Hotel, Deswriters, Denver Hilton Hotel, Deswriters, Denver Hilton Hotel, Denver Hilton Hotel,

Sept. 25, Fraternal Actuarial Assn., Netherland Hilton Hotel, Cincinnati. Sept. 25-27, Life Office Management Ass. annual, Shoreham Hotel, Washington, D. C.

Sept. 25-27, National Fraternal Congress, and Netherland Hilton Hotel, Cincinnati. Oct. 9-13, American Life Convention, annual Edgewater Beach Hotel, Chicago.

Oct. 18-20, Institute of Home Office Under writers, annual, Jung Hotel, New Orleans. Oct. 30-Nov. 1, Health Insurance Assn., indis-dual insurance forum, Biltmore Hotel, Nov.

THE NATIONAL UNDERWRITER

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Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

It was a week of excitement in the insurance share market with buyers ching for many of the issues toward the close Friday. Offerings evaporated and aggressive bids appeared. Shorts covered. Doubts were resolved in favor of lacing orders to buy at the market.

Most of the action was in the fire-casualty field, but Lincoln National Life aged a brilliant advance of some 25 points, closing the week at 248 bid, which

Insurance stocks kept on advancing this week. North America was the star at an all-time high of 74¾ Tuesday. New Amsterdam Casualty moved up to 60; National Life & Accident developed strength and Tuesday at 100 bid was up etter than two points. National Fire added 4; Life Cos. Inc. hit 13. Lamar Life at 33 was down 3 after a recent advance.

was just four points from the year's high. This compares with a recent low of 182, which was suffered under heavy estate and fund liquidation. Lincoln's mouncement of a combination of stock split and stock dividend that will eventuate in one share becoming 21/2 brought new life to this former market prorite that has been a dull performer in recent years.

Life Companies, Inc., which now consists of Atlantic Life (a Murchison name)

bounded up to a high of 121/2 bid on word that one of the splendid fire-casualty institutions is making eyes at Atlantic. A purchase price of \$271/2 million was

mentioned. LCI had just recently sold as low as 9½.

Besides the generally effervescent stock market, which added handsomely portfolio values of insurers, what set off the Thursday-Friday surge in insurance stocks seems to have been the Clayton Gengas electrifying move to thwart the Home-New Amsterdam Casualty alliance. Through Franklin National Bank of Rockville Centre, L. I., Security of New Haven (the Gengras company) saked for tender of NAC stock at \$64 per share. This was \$10 per share more than NAC had been trading at the day before. This suggested that after all these heavy discount situations could command prices for control well above current market and that decisive moves might be in the offing elsewhere. Several of the high-yield big discount issues were sought after. For instance National Union moved up overnight from 37 to 41. This was in response to an crease in the quarterly dividend from 50 to 55 cents.

The Home-NAC-Gengras triangle is intriguing. It is reminiscent of the battle afew years ago when Continental Casualty was bidding for control of National Fire and Mr. Gengras went all-out to block it. He is a force to be reckoned with. There is the theory that he would be hard headed and drastic in overhauling the business and organization of NAC whereas Home would probably be more deliberate. There are suits and countersuits and the NAC and Home field men are being assigned to round up proxies for their proposition. Mr. Gengras was able at last to get the stockholder list of NAC and the request for tenders went out along with proxies. Those that tender to him and sign his proxies will be revoking prior proxies. This is a hot fight and it has overtones of a Connecticut-

New York controversy.

It was not only the discount situations that breezed ahead in the market though. North America (with the symbol ISU on the American Stock Exchange) built up strength and soared into new all-time high ground at 72. Just recently it had sold down to under 62. Great American approached 49 after announcing an increase in the quarterly dividend from 40 cents to 50. This was up some 6 ints. Maryland Casualty was active and higher prior to its dividend meeting and then dropped back when nothing extra was forthcoming.

Actna Life and Travelers got going. Just recently Travelers was 8 points above AEL. Then AEL spurted and edged ahead of Travelers, but on Friday the latter got in the lead again by an eyelash. Both were in the 88 range. American Motorists continued to be wanted and sold as high as 1834. This is up points from the recent bottom. Kansas City Life was on the bid side. Federal Insurance at 57 had made up half the distance between its market before and after the recent 10% stock dividend. Reliance spurted on word of a 5% stock dividend, repeating last year's pattern. Glens Falls at 37 was about 2½ points better. Home reached 60 again. Northern Insurance which was scarred by Donna on top of heavy Oklahoma wind losses earlier in the year improved a point or so. General Reinsurance, which promises to complete a superlative year, entered new all-time high ground and was 123 bid Friday. It sagged to 104 after Donna. Phoenix Insurance was strong and Aetna Fire which, strange to say sagged a little after its dividend increase was wanted again. Franklin Life passed the 70 mark after having been working in the 60s for some time. Providence Washington, which was one of the heaviest casualties of Donna, dropping from 23 to as low as 17½, moved up slightly. There were signs of life in the Meserole companies—Pacific, Bankers & Shippers and Jersey. They have been in a rut and dragging bottom, although they escaped relatively well with Donna. Standard Accident at 53 was up nearly 10 points from the low just before announcement that Fireman's Fund and Standard are "that way

Southwestern Life of Dallas moved up smartly from 49 to 521/2 bid. North American Life of Chicago was a favorite and attained a high of 14% bid. Another low-priced issue—Beneficial Standard Life—at 16 was up 2 points.

National Fire, which has been descending from a high of 148, found bottom at 104. Then buyers came out of the weeds, so to say, and last Friday the bid

Continental Insurance has applied for listing on the Midwest and Pacific Coast Stock Exchanges with indication that trading will commence in those markets Dec. 22. Continental is the only insurance stock that is regularly listed on the New York Stock Exchange. This was brought about by the legendary Henry Evans when he was head of that organization shortly after the first war. It was Evans that caused Continental to become such a monumental investor

Kentucky Central Says Domestic L.&A. Sale Is Clinched

Kentucky Central Life & Accident reports that an excess of the required 12,000 shares of Domestic Life & Accident of Louisville has been deposited with the escrow agent, Louisville Trust Co., and Kentucky Central considers offer to buy now binding.

Under the terms of the offer, Kentucky Central is to pay \$115 per share for all stock deposited before Jan. 31 and has until March 10, 1961, to make payment therefor.

Garvice D. Kincaid, president Kentucky Central, said Domestic Life, a 40-year old company owned and operated by Negroes, is to be consolidated with Kentucky Central and operated as a wholly-owned subsidiary. Although Domestic Life will continue under its present name, personnel and over-all policies and procedures, and its operations are to be rapidly expanded.

Meanwhile, the suit that was filed last week in circuit court of Louisville by a group of minority stockholders of Domestic Life seeking to prohibit sale of control of the company has set damages asked at \$900,000. Named as defendants are 14 members of the 17 member board who approved sale to Kentucky Central. The suit indicates that more than 90 of the approximately 600 stockholders had given authority for the nine plaintiffs to act on their behalf.

The suit claims that the stock is worth more than the \$115 a share of-fered, that other companies had offered more per share, and that, thereby, the directors of Domestic Life entered into a contract to sell prior to the approval on the part of stockholders in violation of their fiduciary obligation to stockholders and in violation of the law.

Chicago Life Agents Hold Giant Breakfast: Gravengaard Speaks

(CONTINUED FROM PAGE 2) coverage and deferred compensation. He warned, however, that agents should not forget the field of personal insurance in their enthusiasm to sell business insurance, especially after closing a really big business case. closing a really big business case.
"Actually, one type begets the other," he said.

On the other hand, take a hypothetical case of an agent who for 20 years has been handling the personal in-surance affairs of a client and has never once approached him on business life insurance, the speaker said. Perhaps his personal program entails about \$100,000 of life insurance, but if the client dies and \$100,000 or more of business assets are dissipated, the personal insurance program is going to be nullified and the agent is going to look highly incompetent or extremely neglectful of his duty. Also, while the client is still alive, some competitor may point this out to him.

Joan Namyst, Equitable Life of Iowa and chairman of the Chicago association's school relations committee, spoke briefly on the work the association has been doing over the years for mental patients at Chicago State Hospital and asked the audience for a contribution for Christmas gifts for these people, some who have been for-

gotten by everyone for years.

A. D. Stein, general agent Aetna
Life, who has been named chairman of the Chicago community division of the Heart Fund, noted briefly some of the aspects of getting 36,000 workers who will be needed to visit people in their homes on Heart Fund Sunday.

Council of Field Underwriters, an

associated organization of the Chicago life association, was a co-sponsor of the breakfast.

in common stocks. It was under his rule that the name America Fore was attached to the Continental group.

There are other stocks with an insurance flavor that are traded on the N. Y. Exchange, such as Insuranceshares Certificates, Inc., the closed end investment company under the wing of the Middendorfs and Wood, Struthers & Co., that has a big position in Hartford Fire and North America, and Transamerica, which owns Occidental Life and a number of fire-casualty companies. Certain issues are traded on a so-called unlisted basis on the American Stock Exchange. These are also traded over the counter by firms that are not members of the American Exchange. These include Camden, Corroon & Reynolds, North America, Reliance, and Universal. West Coast Life is traded on the Pacific Coast Exchange and Life Ins. Co. of Virginia on the Richmond Exchange.

Chase Fund of Boston increased its holdings of National Old Line from 12,000 to 18,000 shares. Investors Stock Fund eliminated its holding of 27,800 shares of Continental Insurance.

Laird, Bissell & Meads, New York, has gotten out a study of 35 property insurers under 20 headings such as earnings for 1959 and for the periods 1955-59 and 1950-59, price earnings ratio against these averages, earnings per \$100 investment, gain to stockholders, underwriting profit margin, average expense ratio, underwriting exposure, increase in investment income, change in value of assets 1940 to 1959 inclusive, ratio of 6/30/60 price to investment income, change in market prices and indicated dividend rate.

Schwabacher & Co., San Francisco, has put out a memorandum on Pacific National Life of San Francisco and Salt Lake.

Blalack & Co., San Marino, Cal., has published an extensive study, "Nationwide Corp. and the Insurance Industry.'

-111-A vital hidden asset in many life companies today is the portfolio of "kickers" they have been accumulating during this period of tight money. Besides getting a high immediate return, the life insurance lender has been able to receive benefits of immense potential value in the way of stock conversion privileges and options. Some companies have been exceptionally imaginative and aggresas any here. Few fire-casualty companies have been asked to do this because they have been short on funds to invest. However, Allstate Insurance with its expansion did possess such investing power and has been one of the largest and most successful "kicker" searchers.

Final regulations under the federal income tax law that came out last week were agreeable to the companies and removed from the insurance stock market the threat of another tax shock. Common sense answers are provided, and they are close to what the insurance men had been providing.



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